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# **CITY OF VILLE PLATTE, LOUISIANA**

## **Financial Statements**

**Year Ended June 30, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-3-03

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Conrad O. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*

Allen J. LaBry, CPA  
Harry J. Clostio, CPA  
Penny Angelle Scruggins, CPA  
Christine L. Cousin, CPA  
Mary T. Thibodeaux, CPA  
Kelly M. Doucet, CPA  
Kenneth J. Rachal, CPA  
Cheryl L. Bartley, CPA, CVA  
Robert S. Carter, CPA  
Daniel W. Alexander, CPA

\* A Professional Accounting Corporation

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CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

The Honorable Phillip A. Lemoine, Mayor,  
and Members of the Board of Aldermen  
City of Ville Platte, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 2003, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the City of Ville Platte, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Ville Platte, Louisiana as of June 30, 2003, and the changes in its financial position and its cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the City of Ville Platte, Louisiana as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

183 South Beadle  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 37, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated September 3, 2003 on our consideration of the City of Ville Platte, Louisiana's internal control over financial reporting and our tests on certain provisions of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 44 through 47 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The City of Ville Platte has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ville Platte Louisiana's basic financial statements. The other supplementary information on pages 48 through 98 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 92) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the City of Ville Platte, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an adverse opinion on the primary government financial statements of the City of Ville Platte, Louisiana due to incomplete general fixed asset records.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
September 3, 2003



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**



## CITY OF VILLE PLATTE, LOUISIANA

## Statement of Net Assets

June 30, 2003

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 8,885,859	\$ 279,652	\$ 9,165,511
Receivables, net	58,413	420,204	478,617
Due from other governmental units	213,973	-	213,973
Inventory-materials and supplies, at cost	-	43,612	43,612
Prepaid items	50,000	-	50,000
Total current assets	<u>9,208,245</u>	<u>743,468</u>	<u>9,951,713</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	3,659,533	3,659,533
Capital assets, net	5,538,810	11,297,977	16,836,787
Unamortized bond issuance costs	-	63,800	63,800
Total noncurrent assets	<u>5,538,810</u>	<u>15,021,310</u>	<u>20,560,120</u>
Total assets	<u>14,747,055</u>	<u>15,764,778</u>	<u>30,511,833</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	289,444	158,777	448,221
Compensated absences payable	119,990	21,641	141,631
Claims payable	67,994	-	67,994
Internal balances	510,987	(510,987)	-
Bonds payable	505,000	350,000	855,000
Accrued interest	100,635	37,771	138,406
Total current liabilities	<u>1,594,050</u>	<u>57,202</u>	<u>1,651,252</u>
Noncurrent liabilities:			
Compensated absences payable	36,549	-	36,549
Customers deposits payable	-	439,387	439,387
Bonds payable	6,700,000	4,055,000	10,755,000
Total noncurrent liabilities	<u>6,736,549</u>	<u>4,494,387</u>	<u>11,230,936</u>
Total liabilities	<u>8,330,599</u>	<u>4,551,589</u>	<u>12,882,188</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	338,810	7,242,977	7,581,787
Restricted for debt service	566,309	883,765	1,450,074
Unrestricted	5,511,337	3,086,447	8,597,784
Total net assets	<u>\$ 6,416,456</u>	<u>\$ 11,213,189</u>	<u>\$ 17,629,645</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF VILLE PLATTE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2003

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Assets		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,232,012	\$ 320,120	\$ 123,683	\$ -	\$ (788,209)	\$ -	\$ (788,209)
Public safety:							
Police	1,188,004	71,971	38,213	7,461	(1,070,359)	-	(1,070,359)
Fire	660,486	-	22,728	-	(637,758)	-	(637,758)
Streets	954,004	-	72,102	38,530	(843,372)	-	(843,372)
Culture and recreation	325,159	-	4,500	-	(320,659)	-	(320,659)
Urban housing and redevelopment	320,078	-	320,078	-	-	-	-
Interest on long-term debt	362,933	-	-	-	(362,933)	-	(362,933)
Total governmental activities	5,042,676	392,091	581,304	45,991	(4,023,290)	-	(4,023,290)
Business-type activities:							
Gas	2,539,630	2,356,338	-	-	-	(183,292)	(183,292)
Water	820,178	993,960	-	-	-	173,782	173,782
Sewer	715,018	608,731	-	43,147	-	(63,140)	(63,140)
Total business-type activities	4,074,826	3,959,029	-	43,147	-	(72,650)	(72,650)
Total	\$ 9,117,502	\$ 4,351,120	\$ 581,304	\$ 89,138	(4,023,290)	(72,650)	(4,095,940)

General revenues:

Taxes -

Property taxes, levied for general purposes	542,996	-	-	-	542,996
Sales and use taxes, levied for general purposes	2,100,485	-	-	-	2,100,485
Payment in lieu of taxes	392,393	-	-	-	392,393
Franchise and chain store taxes	341,856	-	-	-	341,856
Grants and contributions not restricted to specific programs -					
State sources	38,858	-	-	-	38,858
Interest and investment earnings	175,683	-	-	39,290	214,973
Miscellaneous	87,943	-	-	-	87,943
Transfers	151,598	-	-	(151,598)	-
Total general revenues and transfers	3,831,812	-	-	(112,308)	3,719,504

Change in net assets

Net assets - July 1, 2002

Net assets - June 30, 2003

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**



## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **1975 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1975 one percent sales and use tax. These taxes are dedicated to the following purposes: paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; garbage and waste disposal facilities; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; and compensating firemen and policemen.

#### **1984 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1984 one percent sales and use tax. These taxes are dedicated to the following purposes: constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works, and at least five percent of such tax annually for constructing, extending, improving and/or maintaining streets and sidewalks; constructing, improving and maintaining public buildings; including the purchase and acquisition of the necessary land, equipment and furnishings for the aforesaid; after making provision for annual debt service on bonds, which may be issued for the aforementioned purposes.

### **Debt Service Funds**

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

#### **P.I. Sales Tax Bonds Debt Service Fund**

To accumulate monies for payment of the \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001 and the \$2,380,000 Public Improvement Sales Tax Refunding Bonds Series ST-2003. Debt service is financed by the collection of the 1984 one percent sales tax.

### **Capital Projects Funds**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

#### **Municipal Building Construction Fund**

To account for the financing and construction of a City Hall Complex including a City Court and Police Department. Funds have been provided through the issuance of \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001.

#### **Street and Drainage Construction Fund**

To account for the financing and construction and improving of public streets and drainage facilities. Funds have been provided through the issuance of \$1,500,000 Street and Drainage Bonds, Series 2003.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of gas, water, and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.



## CITY OF VILLE PLATTE, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2003

	ASSETS						LIABILITIES AND FUND BALANCES					
	1975		1984		P. I. Sales		Municipal		Street and		Totals	
	General	Sales Tax Special Revenue	Sales Tax Special Revenue	Sales Tax Special Revenue	Tax Bonds Debt Service Fund	Building Construction Fund	Construction Fund	Drainage Construction Fund	Other Funds	2003	2002	
Cash	\$ 182,968	\$ 8,651	\$ 136,039	\$ -	\$ -	\$ -	\$ 31,620	\$ 478,446				
Interest-bearing deposits	304,243	72,603	1,277,757	1,199,375	3,305,162	1,487,098	836,195	5,993,091				
Investments	-	-	-	-	-	-	-	1,725,601				
Receivables:												
Taxes	30,356	-	-	-	-	-	-	5,111				
Accrued interest	318	52	2,222	-	7,676	223	-	13,538				
Other	1,250	-	-	-	-	-	-	4,640				
Due from other funds	138,734	-	-	-	44,757	-	21,061	83,814				
Due from other governmental units	36,112	83,515	83,515	-	-	-	10,831	179,381				
Prepaid items	50,000	-	-	-	-	-	-	53,000				
Total assets	\$ 743,981	\$ 164,821	\$ 1,499,533	\$ 1,199,375	\$ 3,357,595	\$ 1,487,321	\$ 899,707	\$ 8,536,622				
Liabilities:												
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,313	\$ 5,374				
Accounts payable	108,042	420	420	-	-	-	23,127	106,721				
Contracts payable	-	-	-	-	-	-	-	108,749				
Retainage payable	-	-	-	-	-	-	-	39,264				
Accrued liabilities	61,945	-	-	25,178	-	-	-	48,796				
Compensated absences payable	111,149	-	-	-	-	-	8,841	91,166				
Due to other funds	461,798	20,000	134,000	44,757	-	-	129,984	527,788				
Due to other governmental units	-	-	-	-	-	-	-	13,941				
Total liabilities	742,934	20,420	134,420	69,935	-	-	167,265	941,799				
Fund balances (deficit):												
Reserved for prepaid items	50,000	-	-	-	-	-	-	53,000				
Reserved for debt service	-	-	-	1,129,440	-	-	42,504	1,215,645				
Reserved for housing purposes	-	-	-	-	-	-	76,791	48,448				
Unreserved, designated for subsequent years' expenditures	-	-	-	-	3,357,595	1,487,321	610,764	4,129,934				
Unreserved, undesignated	(48,953)	144,401	1,365,113	-	-	-	2,383	2,147,796				
Total fund balances	1,047	144,401	1,365,113	1,129,440	3,357,595	1,487,321	732,442	7,594,823				
Total liabilities and fund balances	\$ 743,981	\$ 164,821	\$ 1,499,533	\$ 1,199,375	\$ 3,357,595	\$ 1,487,321	\$ 899,707	\$ 8,536,622				

The accompanying notes are an integral part of the basic financial statements.

**CITY OF VILLE PLATTE, LOUISIANA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2003**

Total fund balances for governmental funds at June 30, 2003		<b>\$ 8,217,359</b>
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 1,046,001	
Buildings, net of \$1,166,317 accumulated depreciation	1,654,625	
Infrastructure, net of \$435,444 accumulated depreciation	2,144,672	
Equipment, furniture, and fixtures net of \$831,689 accumulated depreciation	532,641	
Improvements other than buildings, net of \$8,928 accumulated depreciation	<u>160,871</u>	5,538,810
Elimination of interfund assets and liabilities		
Due from other funds	279,552	
Due to other funds	<u>(279,552)</u>	-
Long-term liabilities at June 20, 2003:		
Bonds payable	(7,205,000)	
Compensated absences	(36,549)	
Accrued interest payable	<u>(100,635)</u>	(7,342,184)
Net assets of the Group Insurance Self- Insurance Internal Service Fund		<u>2,471</u>
Total net assets of governmental activities at June 30, 2003		<b><u>\$ 6,416,456</u></b>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF VILLE PLATTE, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances-**

**Governmental Funds**

**For the Year Ended June 30, 2003**

**With Comparative Actual Amounts for the Year Ended June 30, 2002**

	1975	1984	P. I. Sales	Municipal	Street and	Other	Totals
	Sales Tax	Sales Tax	Tax Bonds	Building	Drainage	Funds	
	Special	Special	Debt Service	Construction	Fund		2003
	Revenue	Revenue	Fund	Fund			2002
<b>Revenues:</b>							
Taxes	\$ 1,050,242	\$ 1,050,243	\$ -	\$ -	\$ -	\$ -	\$ 3,377,730
Licenses and permits	-	-	-	-	-	-	320,120
Intergovernmental	-	-	-	-	-	474,844	666,153
Fines and forfeits	-	-	-	-	-	71,971	76,744
Miscellaneous	1,693	29,023	18,959	86,395	5,881	17,253	262,843
Total revenues	1,051,935	1,079,266	18,959	86,395	5,881	564,068	4,698,817
<b>Expenditures:</b>							
Current -							
General government	29,166	29,612	28,763	-	-	323,453	1,116,158
Public safety:							
Police	-	-	-	-	-	-	1,141,865
Fire	-	-	-	-	-	-	622,332
Streets and drainage	-	6,465	-	-	-	-	841,674
Culture and recreation	-	-	-	-	-	-	300,917
Urban development and housing	-	-	-	-	-	320,078	320,078
Capital outlay	-	-	-	183,667	20,585	10,837	578,780
Debt service -							
Principal retirement	-	-	410,000	-	-	-	410,000
Interest and fiscal charges	-	-	330,806	-	-	-	330,806
Total expenditures	29,166	36,077	769,569	183,667	20,585	654,368	5,662,610
Excess (deficiency) of revenues over expenditures	1,022,769	1,043,189	(750,610)	(97,272)	(14,704)	(90,300)	(963,793)
<b>Other financing sources (uses):</b>							
Proceeds from issuance of bonds	-	-	2,380,000	-	1,502,025	-	3,882,025
Payment to refund debt	-	-	(2,406,443)	-	-	-	(2,406,443)
Transfers in	-	-	741,834	43,228	-	212,361	2,933,464
Transfers out	(51,433)	(1,383,768)	(50,986)	-	-	(318,530)	(2,822,717)
Total other financing sources (uses)	1,884,608	(1,383,768)	664,405	43,228	1,502,025	(106,169)	1,586,329
Net changes in fund balances	(192,257)	(340,579)	(86,205)	(54,044)	1,487,321	(196,469)	622,536
Fund balances, beginning	193,304	1,705,692	1,215,645	3,411,639	-	928,911	7,594,823
Fund balances, ending	\$ 1,047	\$ 1,365,113	\$ 1,129,440	\$ 3,357,595	\$ 1,487,321	\$ 732,442	\$ 8,217,359

The accompanying notes are an integral part of the basic financial statements.

**CITY OF VILLE PLATTE, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2003**

Total net changes in fund balances at June 30, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 622,536
---	------------

The change in net assets reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$578,780	
Depreciation expense for the year ended June 30, 2003	<u>(250,237)</u>	328,543

Governmental funds report bonded debt repayments as expenditures.  
However, this expenditure does not appear in the statement of activities  
since the payment is applied against the bond payable balance on the state-  
ment of net assets

410,000

Less: Net loss on the Group Insurance Self- Insurance Internal Service Fund	(32,893)
---	----------

Less: Proceeds from the issuance of sales tax bonds	(3,882,025)
---	-------------

Less: Excess of compensated absences earned over compensated absences used	(11,955)
--	----------

Add: Payment to refund debt	2,406,443
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>(32,127)</u>
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Total changes in net assets at June 30, 2003 per Statement of Activities	<u>\$ (191,478)</u>
--	---------------------

The accompanying notes are an integral part of the basic financial statements.



CITY OF VILLE PLATTE, LOUISIANA

Proprietary Funds  
Comparative Statement of Net Assets  
June 30, 2003 and 2002

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2003	2002	2003	2002
<b>ASSETS</b>				
Current assets:				
Cash	\$ 151,449	\$ 556,546	\$ -	\$ 1,756
Interest-bearing deposits	128,203	249,961	44,148	32,739
Investments	-	54,973	-	-
Receivables:				
Accounts	327,437	361,691	-	-
Unbilled utility receivables	84,748	78,286	-	-
Accrued interest receivable	999	1,497	-	-
Other	7,020	10,897	16,316	657
Due from other funds	536,120	410,486	75,000	54,060
Inventory - materials and supplies, at cost	43,612	41,352	-	-
Prepaid items	-	11,027	-	-
Total current assets	<u>1,279,588</u>	<u>1,776,716</u>	<u>135,464</u>	<u>89,212</u>
Noncurrent assets:				
Restricted assets -				
Cash	64,539	197,175	-	-
Interest-bearing deposits	3,594,994	1,163,858	-	-
Investments	-	490,446	-	-
Capital assets, net of accumulated depreciation	11,297,977	11,478,210	-	-
Unamortized bond issuance costs	63,800	43,152	-	-
Total noncurrent assets	<u>15,021,310</u>	<u>13,372,841</u>	<u>-</u>	<u>-</u>
Total assets	<u>16,300,898</u>	<u>15,149,557</u>	<u>135,464</u>	<u>89,212</u>
<b>LIABILITIES</b>				
Current liabilities:				
Cash overdraft	-	-	64,999	-
Accounts payable	64,616	98,587	-	-
Retainage payable	-	2,300	-	-
Accrued liabilities	94,161	51,585	-	-
Compensated absences payable	21,641	37,964	-	-
Claims payable	-	-	67,994	53,848
Due to other funds	25,133	20,572	-	-
Payable from restricted assets -				
Revenue bonds	350,000	310,000	-	-
Accrued interest payable	37,771	27,478	-	-
Total current liabilities	<u>593,322</u>	<u>548,486</u>	<u>132,993</u>	<u>53,848</u>
Noncurrent liabilities:				
Customers' deposits	439,387	447,924	-	-
Revenue bonds payable	4,055,000	2,755,000	-	-
Total noncurrent liabilities	<u>4,494,387</u>	<u>3,202,924</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,087,709</u>	<u>3,751,410</u>	<u>132,993</u>	<u>53,848</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	7,242,977	8,723,210	-	-
Restricted for debt service	883,765	1,053,529	-	-
Unrestricted	3,086,447	1,621,408	2,471	35,364
Total net assets	<u>\$11,213,189</u>	<u>\$11,398,147</u>	<u>\$ 2,471</u>	<u>\$ 35,364</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF VILLE PLATTE, LOUISIANA

Proprietary Funds  
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Years Ended June 30, 2003 and 2002

	Business-type Activities- Enterprise Fund		Governmental Activities - Internal Service Fund	
	2003	2002	2003	2002
Operating revenues:				
Charges for services	\$ 3,798,990	\$ 3,458,693	\$454,500	\$346,283
Connection and inspection fees	54,921	35,055	-	-
Miscellaneous	85,718	103,881	-	-
Total operating revenues	<u>3,939,629</u>	<u>3,597,629</u>	<u>454,500</u>	<u>346,283</u>
Operating expenses:				
Gas department expenses	2,318,861	1,743,378	-	-
Water department expenses	599,393	520,132	-	-
Sewerage department expenses	479,054	459,793	-	-
Depreciation expense	460,081	428,875	-	-
Self insurance expenses	-	-	563,176	452,372
Total operating expenses	<u>3,857,389</u>	<u>3,152,178</u>	<u>563,176</u>	<u>452,372</u>
Operating income (loss)	<u>82,240</u>	<u>445,451</u>	<u>(108,676)</u>	<u>(106,089)</u>
Nonoperating revenues (expenses):				
Interest income	39,290	57,259	783	1,378
Interest expense	(173,896)	(176,740)	-	-
Bad debt recovery	19,400	46,348	-	-
Paying agent's fees	(3,592)	(2,000)	-	-
Amortization of bond issuance costs	(5,800)	(3,596)	-	-
Total nonoperating revenues (expenses)	<u>(124,598)</u>	<u>(78,729)</u>	<u>783</u>	<u>1,378</u>
Income (loss) before contributions and transfers	<u>(42,358)</u>	<u>366,722</u>	<u>(107,893)</u>	<u>(104,711)</u>
Capital contributions	<u>43,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers in (out):				
Transfers in	389,927	90,000	75,000	-
Transfers out	(575,674)	(278,807)	-	-
Total transfers in (out)	<u>(185,747)</u>	<u>(188,807)</u>	<u>75,000</u>	<u>-</u>
Change in net assets	<u>(184,958)</u>	<u>177,915</u>	<u>(32,893)</u>	<u>(104,711)</u>
Net assets, beginning	<u>11,398,147</u>	<u>11,220,232</u>	<u>35,364</u>	<u>140,075</u>
Net assets, ending	<u>\$11,213,189</u>	<u>\$11,398,147</u>	<u>\$ 2,471</u>	<u>\$ 35,364</u>

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Comparative Statement of Cash Flows  
Proprietary Funds  
For the Years Ended June 30, 2003 and 2002

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2003	2002	2003	2002
Cash flows from operating activities:				
Receipts from customers	\$3,881,703	\$3,515,470	\$ 438,841	\$ 346,283
Payments to suppliers	(2,804,422)	(2,263,670)	(484,031)	(442,138)
Payments to employees	(616,708)	(543,852)	-	-
Other receipts	85,718	103,881	-	-
Net cash provided (used) by operating activities	<u>546,291</u>	<u>811,829</u>	<u>(45,190)</u>	<u>(95,855)</u>
Cash flows from noncapital financing activities:				
Cash received from other funds	4,561	27,984	-	-
Cash paid to other funds	(125,634)	-	(20,940)	-
Transfers from other funds	389,927	90,000	75,000	-
Transfers to other funds	(575,674)	(278,807)	-	-
Net cash provided (used) by noncapital financing activities	<u>(306,820)</u>	<u>(160,823)</u>	<u>54,060</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal paid on revenue bonds payable	(310,000)	(300,000)	-	-
Proceeds from issuance of revenue bonds	1,650,000	-	-	-
Interest and fiscal charges paid on revenue bonds and notes payable	(167,195)	(179,115)	-	-
Bad debt recoveries	19,400	46,348	-	-
Proceeds from meter deposits	95,221	86,493	-	-
Refund of meter deposits	(103,758)	(80,600)	-	-
Proceeds from private grant	-	20,000	-	-
Proceeds from federal grant	43,147	820,673	-	-
Contribution from municipality	-	156,379	-	-
Acquisition of property, plant and equipment	(279,848)	(1,101,679)	-	-
Net cash provided (used) by capital and related financing activities	<u>946,967</u>	<u>(531,501)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	545,419	566,752	-	-
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	-	(485,000)	-	-
Interest on investments	39,788	58,751	783	1,378
Net cash provided by investing activities	<u>585,207</u>	<u>140,503</u>	<u>783</u>	<u>1,378</u>
Net increase (decrease) in cash and cash equivalents	1,771,645	260,008	9,653	(94,477)
Cash and cash equivalents, beginning of period	<u>2,167,540</u>	<u>1,907,532</u>	<u>34,495</u>	<u>128,972</u>
Cash and cash equivalents, end of period	<u>\$3,939,185</u>	<u>\$2,167,540</u>	<u>\$ 44,148</u>	<u>\$ 34,495</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Comparative Statement of Cash Flows  
Proprietary Funds (continued)  
For the Years Ended June 30, 2003 and 2002

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2003	2002	2003	2002
Reconciliation of operating loss to net cash used by operating activities:				
Operating income (loss)	\$ 82,240	\$ 445,451	\$ (108,676)	\$ (106,089)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	460,081	428,875	-	-
Changes in current assets and liabilities:				
Decrease in accounts receivable	157,913	107,524	-	-
Decrease in provision for uncollectible accounts	(123,659)	(91,448)	-	-
(Increase) decrease in unbilled utility receivables	(6,462)	5,646	-	-
(Increase) decrease in other receivables	3,877	2,161	(15,659)	-
(Increase) decrease in inventory	(2,260)	469	-	-
(Increase) decrease in prepaid items	11,027	(7,527)	-	-
Increase in bond issuance costs	(26,448)	-	-	-
Decrease in cash overdraft	-	-	64,999	-
Increase (decrease) in accounts payable	(33,971)	26,368	-	-
Increase (decrease) in retainage payable	(2,300)	2,300	-	-
Increase (decrease) in accrued liabilities	42,576	(117,257)	-	-
Increase (decrease) in compensated absences payable	(16,323)	9,267	-	-
Increase in claims payable	-	-	14,146	10,234
Net cash provided (used) by operating activities	<u>\$ 546,291</u>	<u>\$ 811,829</u>	<u>\$ (45,190)</u>	<u>\$ (95,855)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning of period -				
Cash - unrestricted	\$ 556,546	\$ 243,647	\$ 1,756	\$ -
Interest-bearing deposits - unrestricted	249,961	474,119	32,739	128,972
Cash - restricted	197,175	171,534	-	-
Interest-bearing deposits - restricted	1,163,858	1,115,719	-	-
Less: Interest-bearing deposits with maturity in excess of 90 days	-	(97,487)	-	-
Total cash and cash equivalents	<u>2,167,540</u>	<u>1,907,532</u>	<u>34,495</u>	<u>128,972</u>
Cash and cash equivalents, end of period -				
Cash - unrestricted	151,449	556,546	-	1,756
Interest-bearing deposits - unrestricted	128,203	249,961	44,148	32,739
Cash - restricted	64,539	197,175	-	-
Interest-bearing deposits - restricted	<u>3,594,994</u>	<u>1,163,858</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>3,939,185</u>	<u>2,167,540</u>	<u>44,148</u>	<u>34,495</u>
Net increase (decrease)	<u>\$1,771,645</u>	<u>\$ 260,008</u>	<u>\$ 9,653</u>	<u>\$ (94,477)</u>

The accompanying notes are an integral part of the basic financial statements.



## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Ville Platte (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note. For the fiscal year ended June 30, 2003, the City implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

##### A. Financial Reporting Entity

The City was incorporated under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. These financial statements report only the City of Ville Platte, the primary government and do not include two component units identified as follows:

##### City Marshal -

The City Marshal is controlled by the City Marshal, who is an independently elected official. The City Marshal is included as part of the operations of the City Court System. The City Court System is fiscally dependent on the City of Ville Platte for office space and courtrooms.

##### City Court-

The City Court is controlled by the City Court Judge who is an independently elected official. The City Court is included as part of the operations of the City Court System. The City Court System is fiscally dependent on the City of Ville Platte for office space and courtrooms and payment of salaries and other operating expenditures.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the City of Ville Platte, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the City are described below:

#### Governmental Funds -

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The 1975 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The 1984 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The P. I. Sales Tax Bonds Debt Service Fund accounts for the accumulation of monies for payment of the \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001, and the \$2,380,000 Public Improvement Sales Tax Refunding Bonds, Series ST-2003.

The Municipal Building Construction Capital Projects Fund accounts for the financing and construction of a City Hall complex, including a city court and police department, using proceeds from the issuance of \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001.

The Street and Drainage Construction Capital Projects Fund accounts for the financing and construction and improving of public streets and drainage facilities, using proceeds from the issuance of \$1,500,000 Street and Drainage Bonds, Series 2003.

Additionally, the City reports the following fund types:

#### Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Debt service funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

#### Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

#### Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The City's enterprise fund is the Utility Fund.

#### Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's internal service fund is the Self Insurance Fund.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.



## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

#### Allocation of indirect expenses

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities

### D. Assets, Liabilities and Equity

#### Cash and interest-bearing deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

#### Investments

Under state law the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2003, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables was \$31,024 and \$154,683 at June 30, 2003 and 2002, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items.

#### Inventories

Inventory of the Utility Fund consists of supplies and parts that are valued at lower of cost (first-in, first-out) or market.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Compensated Absences

Sick leave is earned at the rate of fourteen hours per month. Compensated leave, which is earned only by Fire Department employees, is earned on a one to one ratio for overtime hours worked. Vacation leave is accumulated as follows:

1 - 4 years service	10 days
5 - 9 years service	15 days
10 or more years service	20 days

Sick leave accumulates and is available for employees when needed, however, it does not vest nor is it payable at termination of employment. Compensated leave for Fire Department employees can be accumulated and carried forward to future years. Vacation leave is earned over a calendar year basis. An employee may not carry over or accumulate more than thirty days of vacation leave from one employment anniversary date to another.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.



CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 4
Gas, water and sewer revenue	Debt service and utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### G. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The City Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

#### H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### I. Report Classification

Certain previously reported amounts for the year ended June 30, 2002 have been reclassified to conform to the June 30, 2003 classifications.

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (2) Changes in Accounting Principles

For the year ended June 30, 2003, the City has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The City also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At June 30, 2002, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2002 to be restated in terms of “net assets” as follows:

Total fund balances - Governmental Funds - at June 30, 2002		\$ 7,594,823
Add: Cost of capital assets at June 30, 2002	\$ 7,402,448	
Less: Accumulated depreciation at June 30, 2002	<u>(2,192,181)</u>	5,210,267
Less: Bond principal at June 30, 2002	(6,100,000)	
Compensated absences payable at June 30, 2002	(24,594)	
Accrued interest payable at June 30, 2002	<u>(107,926)</u>	(6,232,520)
Net assets of the Self-Insurance Internal Service Fund		<u>35,364</u>
Net assets at June 30, 2002		<u>\$ 6,607,934</u>

### (3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2003, taxes of 16.59 mills were levied on property with assessed valuations totaling \$32,568,740 and were dedicated as follows:

General corporate purposes	6.83 mills
Drainage maintenance	4.88 mills
Streets maintenance	4.88 mills
Total	<u>16.59 mills</u>

Total taxes levied were \$540,315. Taxes receivable at June 30, 2003 were \$4,206.

#### (4) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the City in 1975 (2003 collections \$1,050,242; 2002 \$1,002,791) is dedicated to the following purposes:

Paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; water disposal facilities; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; and compensating firemen and policemen.

A one percent sales and use tax levied by the City beginning in 1984 (2003 collections \$1,050,243; 2002 \$1,002,791) is dedicated to these purposes:

Paying debt service on outstanding bonds; constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works; with at least 5 percent of the tax proceeds annually for constructing, improving and maintaining city streets and sidewalks; constructing, improving and maintaining public buildings; and acquiring the necessary land, equipment and furnishings for the aforesaid.

#### (5) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2003, the City has cash and interest-bearing deposits (book balances) totaling \$12,825,044 as follows:

Demand deposits	\$ 575,266
Money market accounts	6,430,629
Time deposits	<u>5,819,149</u>
Total	<u>\$12,825,044</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2003, are as follows:

Bank balances	<u>\$13,192,370</u>
At June 30, 2003 the deposits are secured as follows:	
Federal deposit insurance	521,820
Pledged securities (Category 3)	<u>12,670,550</u>
Total	<u>\$13,192,370</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

### (6) Receivables

Receivables at June 30, 2003 of \$478,617 consist of the following:

	<u>General</u>	<u>1975 Sales Tax</u>	<u>1984 Sales Tax</u>	<u>Other Governmental</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$327,437	\$327,437
Unbilled utility	-	-	-	-	84,748	84,748
Taxes:						
Ad valorem	4,206	-	-	-	-	4,206
Franchise	26,150	-	-	-	-	26,150
Interest	318	52	2,222	7,899	999	11,490
Other	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>16,316</u>	<u>7,020</u>	<u>24,586</u>
Totals	<u>\$31,924</u>	<u>\$ 52</u>	<u>\$ 2,222</u>	<u>\$24,215</u>	<u>\$420,204</u>	<u>\$478,617</u>



CITY OF VILLE PLATTE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

(7) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at June 30, 2003:

Amount due from the State of Louisiana for fire insurance rebate for fiscal year ending June 30, 2003	\$ 22,728
Amount due from the State of Louisiana for beer taxes revenue earned during fiscal year ended June 30, 2003	5,662
Amount due from the State of Louisiana for rural development grant revenues earned during fiscal year ended June 30, 2003	4,500
Amount due from the United States Department of Housing and Urban Development Section 8 Housing Program	10,831
Amount due from the United States Department of Agriculture for the Summer Food Service Program for Children for the month of June, 2003	3,222
Amount due from Evangeline Parish Police Jury for incorporated sales taxes for the month of June, 2003	<u>167,030</u>
	<u>\$213,973</u>

(8) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of the following at June 30, 2003:

Bond and interest sinking fund	\$ 301,317
Bond reserve fund	580,761
Renewal and replacement fund	389,458
Customers' deposits	439,387
Water construction fund	<u>1,948,610</u>
	<u>\$3,659,533</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows:

	Balance 07/01/02	Additions	Deletions	Balance 06/30/03
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 772,806	\$ 40,000	\$ -	\$ 812,806
Construction in progress	28,945	204,250		233,195
Other capital assets:				
Buildings	2,820,982	-	-	2,820,982
Infrastructure	2,580,116	-	-	2,580,116
Equipment, furniture and fixtures	1,161,751	202,579	-	1,364,330
Improvements other than buildings	37,848	131,951	-	169,799
Totals	<u>7,402,448</u>	<u>578,780</u>	<u>-</u>	<u>7,981,228</u>
Less accumulated depreciation				
Buildings	1,090,449	75,908	-	1,166,357
Infrastructure	359,073	76,371	-	435,444
Equipment, furniture and fixtures	735,909	95,780	-	831,689
Improvements other than buildings	6,750	2,178	-	8,928
Total accumulated depreciation	<u>2,192,181</u>	<u>250,237</u>	<u>-</u>	<u>2,442,418</u>
Governmental activities, capital assets, net	<u>\$ 5,210,267</u>	<u>\$ 328,543</u>	<u>\$ -</u>	<u>\$ 5,538,810</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 89,475	\$ 12,000	\$ -	\$ 101,475
Construction in progress	1,006,275	106,149	996,134	116,290
Other capital assets:				
Gas system	4,387,933	-	443,235	3,944,698
Water system	5,218,656	15,622	50,042	5,184,236
Sewer system	9,111,465	1,105,961	189,551	10,027,875
Machinery and equipment	476,638	36,250	320,994	191,894
Totals	<u>20,290,442</u>	<u>1,275,982</u>	<u>1,999,956</u>	<u>19,566,468</u>
Less accumulated depreciation				
Gas system	3,074,125	79,092	443,235	2,709,982
Water system	2,521,652	156,372	50,042	2,627,982
Sewer system	2,822,830	197,603	189,551	2,830,882
Machinery and equipment	393,625	27,014	320,994	99,645
Total accumulated depreciation	<u>8,812,232</u>	<u>460,081</u>	<u>1,003,822</u>	<u>8,268,491</u>
Business-type activities, capital assets, net	<u>\$ 11,478,210</u>	<u>\$ 815,901</u>	<u>\$ 996,134</u>	<u>\$ 11,297,977</u>

CITY OF VILLE PLATTE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 104,645
Police	19,505
Fire	11,963
Streets	94,929
Culture and recreation	<u>19,195</u>
 Total depreciation expense	 <u>\$ 250,237</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 91,874
Water	166,031
Sewer	<u>202,176</u>
 Total depreciation expense	 <u>\$460,081</u>

(10) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2003:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash overdrafts	\$ 70,312	\$ -	70,312
Accounts	132,009	64,616	196,625
Other liabilities	<u>87,123</u>	<u>94,161</u>	<u>181,284</u>
 Totals	 <u>\$ 289,444</u>	 <u>\$158,777</u>	 <u>\$448,221</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (11) Changes in Long-Term Debt

The following is a summary of bond, certificates of indebtedness and compensated absences transactions of the City for the year ended June 30, 2003:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term debt, July 1, 2002	\$6,100,000	\$3,065,000	\$ 24,594	\$ 9,189,594
Additions	3,880,000	1,650,000	11,955	5,541,955
Retirements	<u>(2,775,000)</u>	<u>(310,000)</u>	<u>-</u>	<u>(3,085,000)</u>
Long-term debt, June 30, 2003	<u>\$7,205,000</u>	<u>\$4,405,000</u>	<u>\$ 36,549</u>	<u>\$11,646,549</u>

Bonds payable at June 30, 2003 are comprised of the following individual issues:

#### General obligation bonds:

\$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001, due in annual installments of \$95,000 - \$290,000 through March 1, 2021; interest at 5.00 - 7.00 percent, secured by sales tax revenues	\$3,325,000
\$2,380,000 Public Improvement Sales Tax Refunding Bonds, Series ST-2003, due in annual installments of \$335,000 - \$440,000 through March 1, 2009; interest at 2.20 - 4.00 percent, secured by sales tax revenues	2,380,000
\$1,500,000 Street and Drainage Bonds, Series 2003, due in annual installments of \$75,000 - \$145,000 through March 1, 2017; interest at 4.05 percent, secured by ad valorem taxes transferred from the General Fund	<u>1,500,000</u>
	<u>\$7,205,000</u>

#### Revenue bonds:

\$2,960,000 Utilities Revenue Refunding Bonds, Series 1994A due in annual installments of \$265,000 - \$345,000 through May 1, 2009; interest at 5.15 - 5.50 percent; secured by Utility Fund revenues	\$ 1,820,000
\$1,400,000 Utilities Revenue Bonds Series 1994B, due in annual installments of \$65,000 - \$110,000 through May 1, 2014; interest at 5.15 - 5.50 percent; secured by Utility Fund revenues	935,000
\$1,650,000 Utilities Revenue Bonds Series 2003, due in annual installments of \$20,000 - \$285,000 through May 1, 2015; interest at 2.20 - 5.20 percent; secured by Utility Fund revenues	<u>1,650,000</u>
	<u>\$ 4,405,000</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The bonds are due as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>
2004	505,000	308,071	350,000	226,627
2005	565,000	297,180	365,000	209,193
2006	585,000	277,280	385,000	189,973
2007	615,000	255,230	405,000	169,502
2008	645,000	231,672	430,000	147,790
2009-2013	1,810,000	837,737	1,800,000	433,105
2014-2018	1,655,000	457,658	670,000	495,787
2019-2021	<u>825,000</u>	<u>89,040</u>	<u>-</u>	<u>-</u>
Total	<u>\$7,205,000</u>	<u>\$2,753,868</u>	<u>\$4,405,000</u>	<u>\$1,871,977</u>

The City issued \$2,380,000 of public improvement sales tax refunding bonds to provide resources to purchase U. S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$2,365,000 of public improvement sales tax bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets.

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U. S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's Enterprise Fund's balance sheet and the governmental activities column of the statement of net assets. As of June 30, 2003, the amount of defeased utility revenue debt outstanding but removed from the Enterprise Fund's balance sheet amounted to \$3,360,000. Additionally, as of June 30, 2003 there remained a balance of \$3,905,000 of defeased Sewer Improvement Serial Bonds which were removed from the statement of net assets.

(12) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the \$2,960,000 Utilities Revenue Refunding Bonds Series 1994A, \$1,400,000 Utilities Revenue Bonds Series 1994B, and \$1,650,000 Utilities Revenue Bonds Series 2003 bond indentures dated May 1, 1994 and May 1, 2003, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds.



## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Bond and Interest Sinking Fund

The City is required to set aside into a Utilities Revenue Bond Sinking Fund each month a sum equal to 1/6 of the interest falling due on the next interest payment date plus 1/12 of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

#### Reserve Fund

The Utilities Revenue Bond Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the sinking fund as to which there would otherwise be default. The fund is required to be funded in an amount equal to the reserve fund requirement (\$579,640 at June 30, 2003).

#### Capital Additions and Contingencies Fund

The Utilities System Capital Additions and Contingencies Fund (Renewal and Replacement Fund) was established to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system and to pay the principal of and the interest on the bonds, including any additional pari passu bonds issued hereafter in the manner provided by the bond resolution, for the payment of which there is not sufficient money in the sinking or reserve funds.

The maximum required balance of \$200,000 was deposited when the bonds were sold. The money in the fund shall never be used for the making of such extensions, additions, improvements, renewals and replacements if such use of said money will leave less than the sum of \$50,000. In the event that the City utilizes any monies in the fund so that the balance falls below \$200,000, a monthly deposit of 5 percent of the gross revenues of the system (excluding revenues derived from fuel adjustments) must be made until there is again on deposit the sum of \$200,000.

#### Utility Rates

It is further understood that the City shall adopt a rate ordinance which shall provide revenue in each year, after paying all reasonable and necessary expenses of operating and maintaining the utility system in such year, at least equal to 135 percent of the largest amount of principal and interest maturing on the bonds in any future fiscal year. Said rate ordinance shall also provide for 10 percent penalty charge for non-payment of bills within ten days after the due date and discontinuance of service upon non-payment of bills within thirty days after the due date.

The City violated the bond indenture requiring collection of net revenues equal to at least 135% of the largest amount of principal and interest maturing on the bonds in any future fiscal year and proper collection of delinquent accounts, assessment of late payment penalties and disconnection of services.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Employee Retirement

Substantially all employees of the City are members of the following statewide retirements systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy - Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 8.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2003, 2002, and 2001 were \$101,508, \$77,771, and \$62,709, respectively, equal to the required contributions for each year.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description - All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2003, 2002, and 2001 were \$46,911, \$53,306, and \$51,973, respectively, equal to the required contributions for each year.

#### C. Firefighters' Retirement System of Louisiana

Plan Description - Membership in the Louisiana Firefighters' Retirement System is mandatory for a full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 18.25% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City firefighters began participation in the system effective July 1, 1999. The City's contributions to the System for the years ending June 30, 2003, 2002 and 2001 were \$31,516, \$26,671, and \$26,867, respectively, equal to the required contributions for each year.

#### D. Social Security System

Employees of the City of Ville Platte who are not eligible to participate in any other retirement system are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the City; 7.65 percent contributed by the employee). The City's contributions during the years ending June 30, 2003, 2002, and 2001 amounted to \$48,329, \$42,553 and \$35,576, respectively.

#### (14) Pending Litigation

At June 30, 2003, the City of Ville Platte was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits which might result in a liability to the City which are not considered coverable by insurance.

#### (15) Enterprise Fund Contracts

The City of Ville Platte, under contract dated November 15, 2001, is required to purchase its natural gas from LIG Chemical Company. The contract was effective commencing June 1, 2002 and will expire on June 1, 2004, after which time the contract can be renewed on an annual basis by mutual consent of the parties. The City purchased natural gas during fiscal year ended June 30, 2003 in the amount of \$1,369,011 of which \$68,655 was owed for purchases for the month of June 2003.



# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (16) Segment Information for the Enterprise Fund

The City of Ville Platte maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2003 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 2,344,698</u>	<u>\$ 989,110</u>	<u>\$ 605,821</u>	<u>\$3,939,629</u>
Operating expenses:				
Depreciation	91,874	166,031	202,176	460,081
Other	<u>2,318,861</u>	<u>599,393</u>	<u>479,054</u>	<u>3,397,308</u>
Total operating expenses	<u>2,410,735</u>	<u>765,424</u>	<u>681,230</u>	<u>3,857,389</u>
Operating income (loss)	<u>\$ (66,037)</u>	<u>\$ 223,686</u>	<u>\$ (75,409)</u>	<u>\$ 82,240</u>

### (17) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2003 follows:

Bennett Baquet (July 1, 2002 - December 31, 2002)	\$ 18,760
Phillip A. Lemoine (January 1, 2003 - June 30, 2003)	18,580
	<u>\$37,340</u>

**Aldermen:**

Carol Alfred	\$ 9,376
James Bordelon (January 1, 2003 - June 30, 2003)	4,230
C. J. Dardeau	9,376
Earl Edwards	9,436
Freddie Jack	10,082
William B. Jeanmard	9,990
Phillip A. Lemoine (July 1, 2002 - December 31, 2002)	4,754
	<u>\$57,244</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Risk Management

A. Commercial Insurance Coverage

The City is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

B. Group Self- Insurance

Effective April 1, 1992, the City established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by Benesys, Inc. and the plan year ends on March 31 of each year. Under this plan, the Continental Assurance Company agreed to reimburse the City for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the City, which is \$35,000. For the plan year ending March 31, 2004, the Continental Assurance Company will reimburse the City for aggregate incurred claims during the period of insurance less any amounts paid in respect to the specific incurred claims, which exceeds the greater of \$396,488 or the total of monthly payments by the City. Monthly payments are calculated based on the number of employee with single coverage multiplied by a funding factor of \$265 and the number of employees with family coverage multiplied by a funding factor of \$755. For the plan year ending March 31, 2003, the aggregate reimbursement amount is the greater of \$303,898 or the total of monthly payments which is calculated based on the number of employees multiplied by a composite funding factor of \$192 and \$594 for single and family coverage, respectively.

The General and Utility Funds of the City participate in the program and make payments to the Self-Insurance Fund based upon amounts needed to pay prior and current year claims. The claims liability of \$67,994 reported in the fund at June 30, 2003 is based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. The City currently does not discount its claims liabilities.

Reconciliation of Claims Liabilities

Unpaid claims, July 1, 2002	\$ 53,848
Insurance claims	427,240
Payments	<u>(413,094)</u>
Unpaid claims, June 30, 2003	<u>\$ 67,994</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Claims payable of \$67,994 at June 30, 2003 was determined as follows:

A. Claims incurred prior to June 30, 2003 and paid in July, 2003 and August, 2003	\$ 39,146
B. Claims incurred prior to June 30, 2003 and pending at August 31, 2003	20,848
C. Provision for claims incurred but not reported	<u>8,000</u>
Total claims payable	<u>\$ 67,994</u>

The provision for claims incurred but not reported of \$8,000 was calculated utilizing historical information adjusted for current trends.

(19) Interfund Receivables/Payables

A summary of interfund receivables and payables at June 30, 2003 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 138,734	\$ 461,798
1975 Sales Tax Special Revenue Fund	-	20,000
1984 Sales Tax Special Revenue Fund	-	134,000
P. I. Sales Tax Bonds Debt Service Fund	-	44,757
Municipal Building Construction Fund	<u>44,757</u>	<u>-</u>
Total major governmental funds	<u>183,491</u>	<u>660,555</u>
Nonmajor governmental funds:		
Special revenue funds:		
City Court Fund	20,984	-
Section 8 Housing Fund	-	3,483
LCDBG Fund	77	-
Public Improvement Bond Debt Service Fund	-	670
Sewerage District No.1 Bond Debt Service Fund	-	125,754
1993 Sales Tax Bond Construction Fund	<u>-</u>	<u>77</u>
Total nonmajor governmental funds	<u>21,061</u>	<u>129,984</u>
Total governmental funds	204,552	790,539
Proprietary funds:		
Enterprise Fund	536,120	25,133
Self-Insurance Internal Service Fund	<u>75,000</u>	<u>-</u>
Total	<u>\$ 815,672</u>	<u>\$ 815,672</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

The amounts due to the General Fund from various other funds are for short-term loans. The amount due to the Enterprise Fund from the General Fund is for reimbursements owed for General Fund expenditures paid by the Enterprise Fund and for budgeted appropriations which were not transferred. The receivable in the Self-Insurance Fund is for amounts owed from various other funds for their share of health insurance premiums. The other receivable balances are for short-term loans.

B. Transfers consisted of the following at June 30, 2003:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 1,936,041	\$ 51,433
1975 Sales Tax Special Revenue Fund	-	1,018,000
1984 Sales Tax Special Revenue Fund		1,383,768
P. I. Sales Tax Bonds Debt Service Fund	741,834	50,986
Municipal Building Construction Fund	43,228	-
	<u>2,721,103</u>	<u>2,504,187</u>
Nonmajor governmental funds:		
Special revenue funds:		
City Court Fund	186,000	-
Communication Fund	-	11,187
LCDBG Fund	-	38,530
Sewerage District No.1 Bond Debt Service Fund	-	125,754
1993 Sales Tax Bond Construction Fund	26,361	143,059
Total nonmajor governmental funds	<u>212,361</u>	<u>318,530</u>
Total governmental funds	<u>2,933,464</u>	<u>2,822,717</u>
Proprietary funds:		
Enterprise Fund	389,927	-
Internal Service Fund	75,000	575,674
Total proprietary funds	<u>464,927</u>	<u>575,674</u>
Total	<u>\$ 3,398,391</u>	<u>\$ 3,398,391</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Positive (Negative)	Actual
Revenues:					
Taxes	\$ 1,148,400	\$ 1,263,941	\$ 1,277,245	\$ 13,304	\$ 1,139,431
Licenses and permits	278,150	318,550	320,120	1,570	312,214
Intergovernmental	152,000	165,770	191,309	25,539	106,976
Miscellaneous	103,700	90,530	103,639	13,109	105,880
Total revenues	<u>1,682,250</u>	<u>1,838,791</u>	<u>1,892,313</u>	<u>53,522</u>	<u>1,664,501</u>
Expenditures:					
Current -					
General government	491,514	693,626	705,164	(11,538)	495,137
Public safety:					
Police	1,156,450	1,149,775	1,141,865	7,910	1,049,833
Fire	578,300	591,010	622,332	(31,322)	537,792
Streets and drainage	560,500	829,867	835,209	(5,342)	561,763
Culture and recreation	292,950	285,567	300,917	(15,350)	329,540
Capital outlay	107,000	358,550	363,691	(5,141)	112,135
Total expenditures	<u>3,186,714</u>	<u>3,908,395</u>	<u>3,969,178</u>	<u>(60,783)</u>	<u>3,086,200</u>
Deficiency of revenues over expenditures	<u>(1,504,464)</u>	<u>(2,069,604)</u>	<u>(2,076,865)</u>	<u>(7,261)</u>	<u>(1,421,699)</u>
Other financing sources (uses):					
Transfers in	1,655,000	1,927,000	1,936,041	9,041	1,547,325
Transfers out	<u>(140,000)</u>	<u>(50,000)</u>	<u>(51,433)</u>	<u>(1,433)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,515,000</u>	<u>1,877,000</u>	<u>1,884,608</u>	<u>7,608</u>	<u>1,547,325</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	10,536	(192,604)	(192,257)	347	125,626
Fund balance, beginning	<u>193,304</u>	<u>193,304</u>	<u>193,304</u>	<u>-</u>	<u>67,678</u>
Fund balance, ending	<u>\$ 203,840</u>	<u>\$ 700</u>	<u>\$ 1,047</u>	<u>\$ 347</u>	<u>\$ 193,304</u>

CITY OF VILLE PLATTE, LOUISIANA  
1975 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Positive (Negative)	Actual
Revenues:					
Taxes	\$ 985,000	\$ 1,075,000	\$ 1,050,242	\$ (24,758)	\$1,002,791
Miscellaneous	2,000	1,800	1,693	(107)	1,924
Total revenues	987,000	1,076,800	1,051,935	(24,865)	1,004,715
Expenditures:					
Current -					
General government:					
Professional fees	5,300	8,550	8,765	(215)	4,885
Sales tax collection fees	25,000	24,000	20,401	3,599	18,905
Total expenditures	30,300	32,550	29,166	3,384	23,790
Excess of revenues over expenditures	956,700	1,044,250	1,022,769	(21,481)	980,925
Other financing uses:					
Transfers to -					
General Fund	(825,000)	(777,000)	(742,000)	35,000	(995,000)
City Court Fund	(120,000)	(186,000)	(186,000)	-	(108,000)
Utility Fund	(90,000)	(90,000)	(90,000)	-	(90,000)
Total other financing uses	(1,035,000)	(1,053,000)	(1,018,000)	35,000	(1,193,000)
Excess (deficiency) of revenues over expenditures and other financing uses	(78,300)	(8,750)	4,769	13,519	(212,075)
Fund balance, beginning	139,632	139,632	139,632	-	351,707
Fund balance, ending	\$ 61,332	\$ 130,882	\$ 144,401	\$ 13,519	\$ 139,632

CITY OF VILLE PLATTE, LOUISIANA  
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			Variance -	2002
	Budget			Positive	Actual
	Original	Final	Actual	(Negative)	
Revenues:					
Taxes	\$ 985,000	\$1,075,000	\$1,050,243	\$(24,757)	\$1,002,791
Miscellaneous	44,000	44,000	29,023	(14,977)	45,366
	<u>1,029,000</u>	<u>1,119,000</u>	<u>1,079,266</u>	<u>(39,734)</u>	<u>1,048,157</u>
Expenditures:					
Current -					
General government:					
Professional fees	5,600	8,995	9,210	* (215)	4,997
Sales tax collection fees	25,000	24,000	20,402	3,598	18,905
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government	31,600	32,995	29,612	3,383	23,902
Capital outlay -					
Street repairs and overlay	<u>-</u>	<u>5,250</u>	<u>6,465</u>	<u>(1,215)</u>	<u>-</u>
Total expenditures	<u>31,600</u>	<u>38,245</u>	<u>36,077</u>	<u>2,168</u>	<u>23,902</u>
Excess of revenues over expenditures	<u>997,400</u>	<u>1,080,755</u>	<u>1,043,189</u>	<u>(37,566)</u>	<u>1,024,255</u>
Other financing uses:					
Transfers to -					
General Fund	(450,000)	(650,000)	(650,000)	-	(280,000)
P. I. Sales Tax Bonds Debt Service Fund	<u>(770,000)</u>	<u>(730,000)</u>	<u>(733,768)</u>	<u>(3,768)</u>	<u>(865,722)</u>
Total other financing uses	<u>(1,220,000)</u>	<u>(1,380,000)</u>	<u>(1,383,768)</u>	<u>(3,768)</u>	<u>(1,145,722)</u>
Deficiency of revenues over expenditures and other uses	(222,600)	(299,245)	(340,579)	(41,334)	(121,467)
Fund balance, beginning	<u>1,705,692</u>	<u>1,705,692</u>	<u>1,705,692</u>	<u>-</u>	<u>1,827,159</u>
Fund balance, ending	<u>\$1,483,092</u>	<u>\$1,406,447</u>	<u>\$1,365,113</u>	<u>\$(41,334)</u>	<u>\$1,705,692</u>



## **OTHER SUPPLEMENTARY INFORMATION**



## **OTHER FINANCIAL INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Taxes:					
Ad valorem	\$ 197,500	\$ 221,750	\$ 223,699	\$ 1,949	\$ 204,752
Drainage maintenance	142,000	158,490	159,562	1,072	146,039
Street maintenance	142,000	158,490	159,735	1,245	146,039
PILOT - Housing Authority	18,000	16,200	16,198	(2)	14,887
Franchise - utility companies	290,000	310,000	334,102	24,102	299,164
Utility Fund - payment in lieu of taxes	353,900	391,261	376,195	(15,066)	323,700
Chain store	5,000	7,750	7,754	4	4,850
	<u>1,148,400</u>	<u>1,263,941</u>	<u>1,277,245</u>	<u>13,304</u>	<u>1,139,431</u>
Licenses and permits:					
Occupational licenses	275,000	315,000	316,163	1,163	308,950
Building permits	1,800	2,200	2,213	13	2,031
Electrical permits	1,200	1,250	1,614	364	1,083
House moving permits	150	100	130	30	150
	<u>278,150</u>	<u>318,550</u>	<u>320,120</u>	<u>1,570</u>	<u>312,214</u>
Intergovernmental:					
State of Louisiana -					
Beer tax	21,000	22,200	38,858	16,658	15,379
State grants	49,000	6,500	11,961	5,461	9,726
Fire insurance rebate	18,000	20,000	22,728	2,728	20,352
Highway maintenance	17,000	13,770	13,769	(1)	13,769
Federal -					
FEMA	-	59,300	58,333	(967)	-
Summer food service program	47,000	44,000	45,660	1,660	47,750
	<u>152,000</u>	<u>165,770</u>	<u>191,309</u>	<u>25,539</u>	<u>106,976</u>
Miscellaneous:					
Rental income -					
Gas department	15,000	15,000	15,000	-	15,000
Park and civic center	33,000	32,500	34,500	2,000	34,160
Land rent	8,400	12,500	10,300	(2,200)	6,750
City park receipts	11,000	6,500	7,663	1,163	7,224
Interest income	17,000	13,500	15,696	2,196	16,010
Sale of capital assets	2,200	1,230	1,230	-	2,145
Police department collections	2,500	-	890	890	3,142
Other sources	14,600	9,300	18,360	9,060	21,449
	<u>103,700</u>	<u>90,530</u>	<u>103,639</u>	<u>13,109</u>	<u>105,880</u>
Total revenues	\$1,682,250	\$1,838,791	\$1,892,313	\$ 53,522	\$1,664,501

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
General government:					
Executive -					
Mayor salary	\$ 36,440	\$ 36,440	\$ 37,340	\$ (900)	\$ 36,860
Council salaries	52,374	58,500	57,244	1,256	54,636
Retirement	3,650	3,600	2,519	1,081	3,245
Medicare taxes	3,000	3,250	3,272	(22)	2,828
Group insurance	18,000	22,450	22,525	(75)	19,042
Auto allowances	20,400	20,400	20,100	300	21,600
Dues and conventions	2,000	8,200	10,212	(2,012)	1,777
Total executive	135,864	152,840	153,212	(372)	139,988
Administrative -					
Salaries	130,000	174,750	176,402	(1,652)	123,842
Contract services	-	33,840	33,653	187	22,913
Treasurer's pay	-	1,800	-	1,800	-
Utilities	6,500	6,500	6,610	(110)	6,604
Telephone	6,500	6,500	9,103	(2,603)	5,987
Insurance	18,000	23,000	20,271	2,729	19,194
Workman's compensation	1,500	1,400	1,472	(72)	(58)
Advertising and publicity	10,000	12,900	14,013	(1,113)	9,155
Group insurance	13,000	25,350	25,200	150	14,008
Office expense	23,000	35,500	33,366	2,134	20,145
Professional fees	45,000	98,500	102,393	(3,893)	32,405
Repairs and maintenance	15,000	13,000	12,615	385	14,479
Gas and oil	1,000	750	681	69	947
Association dues, conventions and travel	9,000	9,000	8,735	265	9,530
Chamber of Commerce social programs	6,000	8,500	13,841	(5,341)	6,000
Auto allowances	6,000	5,160	5,160	-	5,160
Retirement contributions	6,200	9,400	9,382	18	6,355
Medicare taxes	1,200	2,750	2,755	(5)	1,260
Payroll taxes	250	336	338	(2)	249
Uniforms	1,100	850	1,213	(363)	971
Summer feeding program expense	47,000	46,150	45,218	932	46,989
Election expense	-	15,500	15,075	425	-
Miscellaneous	9,400	9,350	14,456	(5,106)	9,014
Total administrative	355,650	540,786	551,952	(11,166)	355,149
Total general government	491,514	693,626	705,164	(11,538)	495,137

(continued)

(continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Public safety:					
Police department -					
Salaries	702,800	699,000	693,681	5,319	644,888
Gas and oil	40,000	40,000	40,291	(291)	38,664
Auto repairs	50,000	50,500	52,303	(1,803)	53,948
Equipment and building repairs and maintenance	6,000	8,500	7,334	1,166	7,712
Feeding prisoners	6,300	6,500	6,905	(405)	6,249
Supplies	27,000	21,000	20,553	447	26,618
Telephone	11,000	13,600	13,693	(93)	10,528
Insurance	60,000	65,000	62,928	2,072	64,003
Workman's compensation	40,000	31,000	29,012	1,988	(1,652)
Advertising and publicity	1,500	2,100	2,316	(216)	1,711
Uniforms and storage	16,000	18,500	18,432	68	15,953
Retirement contributions	53,000	46,000	44,718	1,282	53,164
Group insurance	80,000	79,000	78,433	567	74,293
Professional fees	1,850	7,750	8,805	(1,055)	942
Association dues, conventions and travel	4,000	4,000	4,078	(78)	4,572
Officer training program	4,100	6,000	6,641	(641)	3,530
Utilities	5,300	5,000	4,983	17	5,393
Medicare taxes	13,100	12,500	12,127	373	13,169
Payroll taxes	2,200	1,750	1,484	266	1,446
Dare, K-9 & DWI expense	6,600	4,500	4,653	(153)	2,192
Medical expense	11,000	15,000	15,998	(998)	11,714
Miscellaneous	14,700	12,575	12,497	78	10,796
Total police department	1,156,450	1,149,775	1,141,865	7,910	1,049,833
Fire department -					
Salaries	368,000	343,000	363,861	(20,861)	322,353
Auto allowance	4,100	3,600	3,600	-	3,950
Gas and oil	4,800	5,850	5,276	574	4,348
Equipment and building repairs and maintenance	25,000	35,000	35,631	(631)	38,676
Supplies	18,000	20,750	19,886	864	21,933
Telephone	5,000	5,000	5,405	(405)	4,620
Insurance	21,000	22,000	21,340	660	23,118
Workman's compensation	18,000	19,000	19,406	(406)	(745)

(continued)



CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Fire department (continued) -					
Uniforms	8,100	9,500	10,100	(600)	6,746
Retirement contributions	30,000	40,500	46,978	(6,478)	34,519
Group insurance	30,000	38,300	40,452	(2,152)	31,668
Utilities	15,000	14,500	14,014	486	12,526
Medicare taxes	5,200	5,550	5,820	(270)	5,295
School training	3,000	250	156	94	3,578
Payroll taxes	800	810	829	(19)	805
Contribution of fire insurance rebate	18,000	20,000	22,728	(2,728)	20,352
Professional fees	1,300	2,500	2,160	340	1,023
Miscellaneous	3,000	4,900	4,690	210	3,027
Total fire department	578,300	591,010	622,332	(31,322)	537,792
Total public safety	1,734,750	1,740,785	1,764,197	(23,412)	1,587,625
Streets and drainage:					
Salaries	250,500	338,000	338,079	(79)	256,641
Gas, oil and fuel	10,800	12,500	13,306	(806)	9,534
Truck and equipment repairs	34,000	63,000	62,870	130	38,319
Equipment lease	-	38,830	42,305	(3,475)	29,602
Tools and supplies	30,000	22,225	22,651	(426)	20,137
Telephone	900	1,750	1,916	(166)	832
Insurance	26,000	28,000	27,938	62	27,846
Workman's compensation	29,000	51,900	52,188	(288)	(1,373)
Retirement contributions	13,500	18,100	18,542	(442)	13,175
Group insurance	39,000	50,525	51,100	(575)	39,375
Uniforms	2,000	4,400	5,291	(891)	-
Auto allowance	-	700	600	100	-
Utilities - street lights	63,000	63,000	63,971	(971)	57,463
Medicare taxes	4,200	7,650	7,639	11	4,271
Payroll taxes	500	670	675	(5)	534
Medical expense	2,500	2,500	2,003	497	2,887
Sand, gravel, cement and dirt	2,400	6,750	6,351	399	2,484
Main street program	-	15,000	13,516	1,484	-
Street, repairs and overlay	14,000	16,825	18,398	(1,573)	14,383
Hurricane expenditures	-	17,275	17,300	(25)	-
Professional fees	2,600	7,720	7,195	525	1,645
Impounder	5,600	7,400	6,682	718	5,398
Grass and tree cutting	4,000	11,000	10,434	566	5,410
EP Solid Waste	16,000	15,147	15,147	-	15,147
Miscellaneous	10,000	29,000	29,112	(112)	18,053
Total streets and drainage	560,500	829,867	835,209	(5,342)	561,763
					(continued)

(continued)



CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Culture and recreation:					
Salaries	141,750	124,400	131,121	(6,721)	145,161
Contract services	-	10,980	10,963	17	10,666
Gas, oil and diesel	3,500	4,575	5,046	(471)	3,225
Building and equipment repairs	32,000	30,250	29,759	491	54,708
Pool repairs	12,000	250	2,938	(2,688)	9,831
Small tools and supplies	21,000	17,500	19,340	(1,840)	21,354
Chemicals	13,000	17,760	17,381	379	18,532
Telephone	2,000	1,980	2,284	(304)	1,785
Insurance	5,500	8,500	7,549	951	7,962
Workman's compensation	4,000	6,950	9,077	(2,127)	(166)
Retirement contributions	4,200	4,995	4,995	-	4,176
Group insurance	11,300	15,100	15,250	(150)	12,300
Uniforms	-	1,275	1,686	(411)	-
Utilities	28,000	25,000	27,308	(2,308)	25,425
Medicare taxes	5,000	3,395	4,247	(852)	5,323
Payroll taxes	300	235	259	(24)	286
Professional fees	3,000	5,500	5,065	435	2,970
Miscellaneous	6,400	6,922	6,649	273	6,002
Total culture and recreation	292,950	285,567	300,917	(15,350)	329,540
Capital outlay:					
Administrative -					
Equipment	-	-	-	-	3,795
Public safety -					
Police:					
Equipment	2,000	15,000	15,147	(147)	14,641
Vehicles	25,000	65,000	73,718	(8,718)	34,234
Fire:					
Equipment	-	29,000	28,614	386	4,230
Streets and drainage -					
Equipment	-	70,300	70,571	(271)	4,315
Culture and recreation -					
Main street project	40,000	-	-	-	-
Equipment	-	14,250	11,610	2,640	16,508
Park improvements	40,000	165,000	164,031	969	34,412
	107,000	358,550	363,691	(5,141)	112,135
Total expenditures	\$3,186,714	\$3,908,395	\$3,969,178	\$ (60,783)	\$3,086,200

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)  
Year Ended June 30, 2003

With Comparative Actual Amounts for Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Other financing sources (uses):					
Transfers from (to) other funds -					
Utility Fund	\$ 380,000	\$ 500,000	\$ 544,041	\$44,041	\$ 272,325
1975 Sales Tax Fund	825,000	777,000	742,000	(35,000)	995,000
1984 Sales Tax Fund	450,000	650,000	650,000	-	280,000
P. I. Sales Tax Bonds Debt					
Service Fund	(140,000)	-	-	-	-
Self-Insurance Fund	-	(50,000)	(51,433)	(1,433)	-
Total other financing sources (uses)	\$1,515,000	\$1,877,000	\$1,884,608	\$ 7,608	\$1,547,325

CITY OF VILLE PLATTE, LOUISIANA  
P. I. Sales Tax Bonds Debt Service Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for the Year Ended June 30, 2002

	2003				
	Budget			Variance -	2002
	Original	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Miscellaneous - interest	\$ 25,000	\$ 18,600	\$ 18,959	\$ 359	\$ 26,980
Expenditures:					
Current -					
General government -					
Paying agent fees	3,000	2,650	28,763	(26,113)	1,333
Debt service -					
Principal retirement	700,000	410,000	410,000	-	395,000
Interest	323,778	323,778	330,806	(7,028)	248,074
Total expenditures	1,026,778	736,428	769,569	(33,141)	644,407
Deficiency of revenues over expenditures	(1,001,778)	(717,828)	(750,610)	(32,782)	(617,427)
Other financing sources (uses):					
Proceeds from issuance of bonds	-	2,384,111	2,380,000	(4,111)	-
Payment to refund debt	-	(2,440,185)	(2,406,443)	33,742	-
Transfers from other funds -					
1984 Sales Tax Fund	770,000	730,000	733,768	3,768	865,722
General Fund	140,000	-	-	-	-
Utility Fund	100,000	-	8,066	8,066	-
Transfers to other funds -					
Sales Tax Bond Construction	-	-	(7,758)	(7,758)	-
Municipal Building Construction	-	-	(43,228)	(43,228)	-
Total other financing sources (uses)	1,010,000	673,926	664,405	(9,521)	865,722
Excess (deficiency) of revenues and other financing sources over expenditures	8,222	(43,902)	(86,205)	(42,303)	248,295
Fund balances, beginning	1,215,645	1,215,645	1,215,645	-	967,350
Fund balances, ending	\$ 1,223,867	\$ 1,171,743	\$ 1,129,440	\$ (42,303)	\$ 1,215,645

CITY OF VILLE PLATTE, LOUISIANA  
Municipal Building Construction Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for the Year Ended June 30, 2002

	2003			
	Budget		Variance -	2002
	Original	Final	Favorable (Unfavorable)	Actual
Revenues:				
Miscellaneous - interest	\$ -	\$ 90,000	\$ (3,605)	\$ 123,295
Expenditures:				
Capital outlay -				
Construction cost	-	-	-	65,560
Engineering and other	-	234,667	51,000	34,878
Debt service -				
Interest	-	-	-	95,869
Total expenditures	-	234,667	51,000	196,307
Deficiency of revenues over expenditures	-	(144,667)	47,395	(73,012)
Other financing source:				
Transfer from P. I. Sales Tax Bonds Debt Service Fund	-	-	43,228	-
Deficiency of revenues and other financing source over expenditures	-	(144,667)	90,623	(73,012)
Fund balances, beginning	3,411,639	3,411,639	-	3,484,651
Fund balances, ending	\$3,411,639	\$3,266,972	\$90,623	\$3,411,639

CITY OF VILLE PLATTE, LOUISIANA  
Street and Drainage Construction Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2003  
With Comparative Actual Amounts for the Year Ended June 30, 2002

	2003			
	Budget		Variance -	2002
	Original	Final	Favorable (Unfavorable)	Actual
Revenues:				
Miscellaneous - interest	\$ -	\$ 5,000	\$ 881	\$ -
Expenditures:				
Capital outlay -				
Engineering and other	-	20,000	(585)	-
Deficiency of revenues over expenditures	-	(15,000)	1,466	-
Other financing source:				
Proceeds from issuance of bonds	-	1,500,000	2,025	-
Excess of revenues and other financing source over expenditures	-	1,485,000	3,491	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ 1,485,000	\$ 3,491	\$ -



**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2003  
With Comparative Totals for June 30, 2002

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals 2003</u>	<u>2002</u>
<b>ASSETS</b>					
Cash	\$ 25,353	\$ 6,267	\$ -	\$ 31,620	\$ 27,481
Interest-bearing deposits, at cost	44,090	162,661	629,444	836,195	62,230
Investments, at cost	-	-	-	-	887,237
Due from other funds	21,061	-	-	21,061	7,182
Due from other governmental units	<u>10,831</u>	<u>-</u>	<u>-</u>	<u>10,831</u>	<u>149,445</u>
<b>TOTAL ASSETS</b>	<u>\$101,335</u>	<u>\$168,928</u>	<u>\$629,444</u>	<u>\$899,707</u>	<u>\$1,133,575</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash overdraft	\$ 5,313	\$ -	\$ -	\$ 5,313	\$ 5,374
Accounts payable	4,524	-	18,603	23,127	28,392
Contracts payable	-	-	-	-	108,749
Retainage payable	-	-	-	-	39,264
Accrued liabilities	-	-	-	-	522
Compensated absences payable	8,841	-	-	8,841	6,990
Due to other funds	3,483	126,424	77	129,984	1,432
Due to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,941</u>
<b>Total liabilities</b>	<u>22,161</u>	<u>126,424</u>	<u>18,680</u>	<u>167,265</u>	<u>204,664</u>
<b>Fund balances:</b>					
Reserved for debt service	-	42,504	-	42,504	-
Reserved for housing purposes	76,791	-	-	76,791	48,448
Unreserved, designated for subsequent years' expenditures	-	-	610,764	610,764	718,295
Unreserved, undesignated	<u>2,383</u>	<u>-</u>	<u>-</u>	<u>2,383</u>	<u>162,168</u>
<b>Total fund balances</b>	<u>79,174</u>	<u>42,504</u>	<u>610,764</u>	<u>732,442</u>	<u>928,911</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$101,335</u>	<u>\$168,928</u>	<u>\$629,444</u>	<u>\$899,707</u>	<u>\$1,133,575</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2003  
With Comparative Totals for June 30, 2002

	Special Revenue	Debt Service	Capital Projects	Totals 2003	2002
Revenues:					
Intergovernmental	\$474,844	\$ -	\$ -	\$474,844	\$1,236,424
Fines and forfeits	71,971	-	-	71,971	76,744
Miscellaneous	5,900	2,186	9,167	17,253	30,068
Total revenues	<u>552,715</u>	<u>2,186</u>	<u>9,167</u>	<u>564,068</u>	<u>1,343,236</u>
Expenditures:					
Current -					
General government	323,453	-	-	323,453	296,741
Urban redevelopment and housing	320,078	-	-	320,078	298,317
Capital outlay	10,837	-	-	10,837	1,164,245
Debt service -					
Principal retirement	-	-	-	-	60,000
Interest and fiscal charges	-	-	-	-	3,540
Total expenditures	<u>654,368</u>	<u>-</u>	<u>-</u>	<u>654,368</u>	<u>1,822,843</u>
Excess (deficiency) of revenues over expenditures	<u>(101,653)</u>	<u>2,186</u>	<u>9,167</u>	<u>(637,115)</u>	<u>(479,607)</u>
Other financing sources (uses):					
Transfers in	186,000	-	26,361	212,361	114,482
Transfers out	(49,717)	(125,754)	(143,059)	(318,530)	-
Total financing sources (uses)	<u>136,283</u>	<u>(125,754)</u>	<u>(116,698)</u>	<u>(106,169)</u>	<u>114,482</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	34,630	(123,568)	(107,531)	(743,284)	(365,125)
Fund balance, beginning	<u>44,544</u>	<u>166,072</u>	<u>718,295</u>	<u>928,911</u>	<u>1,294,036</u>
Fund balance, ending	<u>\$ 79,174</u>	<u>\$ 42,504</u>	<u>\$ 610,764</u>	<u>\$ 732,442</u>	<u>\$ 928,911</u>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **City Court Fund**

To account for the City's portion of City Court fine income and expenditures paid directly from the City's funds.

### **Communication Fund**

To account for the construction, operation, and maintenance of a telecommunication system. Upon completion, operation was to be financed by user rates to be charged to the public for use of the system. The establishment of a telecommunication system was discontinued during 2003.

### **Section 8 Housing Fund**

To account for the administration of grant funds received from the U.S. Department of Housing and Urban Development to provide rental assistance to qualified low income individuals.

### **Louisiana Community Development Block Grant Fund (LCDBG)**

To account for the administration of grant funds received from the State of Louisiana Division of Administration for sewer system improvements

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
June 30, 2003  
With Comparative Totals for June 30, 2002

	City Court	Communication	Section 8 Housing	LCDBG	Totals	
					2003	2002
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$25,353	\$ -	\$ 25,353	\$ 21,214
Interest-bearing deposits	-	-	44,090	-	44,090	48,122
Receivables:						
Due from other funds	20,984	-	-	77	21,061	7,182
Due from other governmental units	-	-	10,831	-	10,831	148,013
Total assets	<u>\$20,984</u>	<u>\$ -</u>	<u>\$80,274</u>	<u>\$ 77</u>	<u>\$101,335</u>	<u>\$224,531</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Cash overdraft	\$ 5,236	\$ -	\$ -	\$ 77	\$ 5,313	\$ 5,374
Accounts payable	4,524	-	-	-	4,524	4,237
Contracts payable	-	-	-	-	-	108,749
Retainage payable	-	-	-	-	-	39,264
Compensated absences payable	8,841	-	-	-	8,841	6,990
Due to other funds	-	-	3,483	-	3,483	1,432
Due to other governmental units	-	-	-	-	-	13,941
Total liabilities	<u>18,601</u>	<u>-</u>	<u>3,483</u>	<u>77</u>	<u>22,161</u>	<u>179,987</u>
Fund balances (deficit):						
Reserved for housing purposes	-	-	76,791	-	76,791	48,448
Unreserved - undesignated	2,383	-	-	-	2,383	(3,904)
Total fund balances	<u>2,383</u>	<u>-</u>	<u>76,791</u>	<u>-</u>	<u>79,174</u>	<u>44,544</u>
Total liabilities and fund balances	<u>\$20,984</u>	<u>\$ -</u>	<u>\$80,274</u>	<u>\$ 77</u>	<u>\$101,335</u>	<u>\$224,531</u>



CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2003  
With Comparative Totals for Year Ended June 30, 2002

	City Court	Communication	Section 8 Housing	LCDBG	Totals	
					2003	2002
<b>Revenues:</b>						
Intergovernmental	\$ 38,213	\$ -	\$ 398,101	\$ 38,530	\$ 474,844	\$ 1,236,424
Fines and forfeits	71,971	-	-	-	71,971	76,744
Miscellaneous	5,900	-	-	-	5,900	25
Total revenues	<u>116,084</u>	<u>-</u>	<u>398,101</u>	<u>38,530</u>	<u>552,715</u>	<u>1,313,193</u>
<b>Expenditures:</b>						
Current -						
General government	273,013	760	49,680	-	323,453	296,741
Urban redevelopment and housing	-	-	320,078	-	320,078	298,317
Capital outlay	10,837	-	-	-	10,837	832,045
Total expenditures	<u>283,850</u>	<u>760</u>	<u>369,758</u>	<u>-</u>	<u>654,368</u>	<u>1,427,103</u>
Excess (deficiency) of revenues over expenditures	<u>(167,766)</u>	<u>(760)</u>	<u>28,343</u>	<u>-</u>	<u>(140,183)</u>	<u>(113,910)</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	186,000	-	-	-	186,000	114,482
Operating transfers out	<u>-</u>	<u>(11,187)</u>	<u>-</u>	<u>(38,530)</u>	<u>(49,717)</u>	<u>-</u>
Total other financing sources (uses)	<u>186,000</u>	<u>(11,187)</u>	<u>-</u>	<u>(38,530)</u>	<u>136,283</u>	<u>114,482</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	18,234	(11,947)	28,343	(38,530)	(3,900)	572
Fund balances (deficit), beginning	<u>(15,851)</u>	<u>11,947</u>	<u>48,448</u>	<u>-</u>	<u>44,544</u>	<u>43,972</u>
Fund balances, ending	<u>\$ 2,383</u>	<u>\$ -</u>	<u>\$ 76,791</u>	<u>\$ -</u>	<u>\$ 79,174</u>	<u>\$ 44,544</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Fund  
City Court Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance -	2002
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental -				
Transfer from City Court	\$ 38,215	\$ 38,213	\$ (2)	\$ 39,138
Fines and forfeits	68,700	71,971	3,271	76,744
Miscellaneous	-	5,900	5,900	25
Total revenues	<u>106,915</u>	<u>116,084</u>	<u>9,169</u>	<u>115,907</u>
Expenditures:				
General government	265,945	273,013	(7,068)	239,758
Capital outlay	<u>10,850</u>	<u>10,837</u>	<u>13</u>	<u>-</u>
Total expenditures	<u>276,795</u>	<u>283,850</u>	<u>(7,055)</u>	<u>239,758</u>
Deficiency of revenues over expenditures	(169,880)	(167,766)	2,114	(123,851)
Other financing source:				
Transfer from 1975 Sales Tax Fund	<u>186,000</u>	<u>186,000</u>	<u>-</u>	<u>108,000</u>
Excess (deficiency) of revenues and other financing source over expenditures	16,120	18,234	2,114	(15,851)
Fund balance (deficit), beginning	<u>(15,851)</u>	<u>(15,851)</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 269</u>	<u>\$ 2,383</u>	<u>\$ 2,114</u>	<u>\$ (15,851)</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Fund  
City Court Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance	2002
	Budget	Actual	Favorable (Unfavorable)	Actual
General government:				
Salaries	\$ 165,700	\$ 167,044	\$ (1,344)	\$ 151,424
Supplies	18,000	20,075	(2,075)	18,327
Postage	2,050	1,420	630	-
Telephone	3,800	3,972	(172)	3,717
Utilities	5,800	5,953	(153)	5,311
Dues and conventions	250	1,212	(962)	-
Building and equipment maintenance	3,000	7,983	(4,983)	6,557
Retirement contributions	11,900	11,827	73	11,036
Insurance	4,400	2,612	1,788	3,521
Group insurance	30,900	30,947	(47)	24,825
Workman's compensation	680	968	(288)	(31)
Payroll taxes	315	317	(2)	298
Witness expense	8,900	8,291	609	8,793
Miscellaneous	1,000	1,166	(166)	654
Medicare taxes	4,300	4,281	19	4,268
Professional fees	950	1,612	(662)	1,058
Janitorial service	4,000	3,333	667	-
Total general government	265,945	273,013	(7,068)	239,758
Capital outlay:				
Equipment	10,850	10,837	13	-
Total capital outlay	10,850	10,837	13	-
Total expenditures	\$ 276,795	\$ 283,850	\$ (7,055)	\$ 239,758

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Fund  
Communication Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			
	Budget	Actual	Variance - Favorable (Unfavorable)	2002 Actual
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government -				
Professional fees	<u>-</u>	<u>760</u>	<u>(760)</u>	<u>9,068</u>
Deficiency of revenues over expenditures	-	(760)	(760)	(9,068)
Other financing source:				
Transfer from (to) Utility Fund	<u>(11,947)</u>	<u>(11,187)</u>	<u>760</u>	<u>6,482</u>
Deficiency of revenues and other source over expenditures	(11,947)	(11,947)	-	(2,586)
Fund balance, beginning	<u>11,947</u>	<u>11,947</u>	<u>-</u>	<u>14,533</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,947</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Fund  
Section 8 Housing Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance -	2002
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental -				
Federal grant	\$370,723	\$ 398,101	\$ 27,378	\$ 365,241
Miscellaneous	775	-	(775)	-
Total revenues	<u>371,498</u>	<u>398,101</u>	<u>26,603</u>	<u>365,241</u>
Expenditures:				
General government -				
Administration	49,045	49,680	(635)	47,915
Urban redevelopment and housing -				
Housing assistance payments	<u>319,200</u>	<u>320,078</u>	<u>(878)</u>	<u>298,317</u>
Total expenditures	<u>368,245</u>	<u>369,758</u>	<u>(1,513)</u>	<u>346,232</u>
Excess of revenues over expenditures	3,253	28,343	25,090	19,009
Fund balance, beginning	<u>48,448</u>	<u>48,448</u>	<u>-</u>	<u>29,439</u>
Fund balance, ending	<u>\$ 51,701</u>	<u>\$ 76,791</u>	<u>\$ 25,090</u>	<u>\$ 48,448</u>



CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Fund  
Louisiana Community Development Block Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			
	Budget	Actual	Variance - Favorable (Unfavorable)	2002 Actual
Revenues:				
Intergovernmental -				
Federal grant	\$ 38,530	\$ 38,530	\$ -	\$ 832,045
Expenditures:				
Capital outlay -				
Sewer improvements	-	-	-	832,045
Excess of revenues over expenditures	38,530	38,530	-	-
Other financing use:				
Transfer to Utility fund	(38,530)	(38,530)	-	-
Excess of revenues over expenditures and other use	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

## **NONMAJOR DEBT SERVICE FUNDS**

### **Public Improvement Bond Fund**

To accumulate monies for payment of the \$1,500,000 Street and Drainage Bonds, Series 2003. Debt service is financed by a specified ad valorem tax collected in and transferred from the General Fund.

### **Sewerage District No. 1 Bond Fund**

To accumulate monies for payment of the 1977 \$400,000 Sewerage District No. 1 bonds. These bonds were paid out during the fiscal year ended June 30, 2002. The remaining funds were transferred to the Utility Fund during the fiscal year ending June 30, 2003.

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Debt Service Funds

Combining Balance Sheet  
June 30, 2003  
With Comparative Totals for June 30, 2002

	Public Improvement Bond	Sewerage District No. 1 Bond	Totals	
			2003	2002
<b>ASSETS</b>				
Cash	\$ 3,395	\$ 2,872	\$ 6,267	\$ 6,267
Interest - bearing deposits	39,779	122,882	162,661	12,940
Investments	-	-	-	147,387
Total assets	<u>\$ 43,174</u>	<u>\$ 125,754</u>	<u>\$ 168,928</u>	<u>\$ 166,594</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accrued liabilities	\$ -	\$ -	\$ -	\$ 522
Due to other funds	670	125,754	126,424	-
Total liabilities	<u>670</u>	<u>125,754</u>	<u>126,424</u>	<u>522</u>
<b>Fund balances:</b>				
Reserved for debt service	42,504	-	42,504	-
Unreserved, undesignated	-	-	-	166,072
Total fund balances	<u>42,504</u>	<u>-</u>	<u>42,504</u>	<u>166,072</u>
Total liabilities and fund balances	<u>\$ 43,174</u>	<u>\$ 125,754</u>	<u>\$ 168,928</u>	<u>\$ 166,594</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2003  
With Comparative Totals for Year Ended June 30, 2002

	Public Improvement Bond	Sewerage District No. 1 Bond	Totals	
			2003	2002
Revenues:				
Miscellaneous - interest	\$ 573	\$ 1,613	\$ 2,186	\$ 5,031
Expenditures:				
Debt service -				
Principal retirement	-	-	-	60,000
Interest	-	-	-	3,540
Total expenditures	-	-	-	63,540
Excess (deficiency) of revenues over expenditures	573	1,613	2,186	(58,509)
Other financing use:				
Transfer to Utility Fund	-	(125,754)	(125,754)	-
Excess (deficiency) of revenues over expenditures and other financing use	573	(124,141)	(123,568)	(58,509)
Fund balances, beginning	41,931	124,141	166,072	224,581
Fund balances, ending	\$ 42,504	\$ -	\$ 42,504	\$166,072

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Debt Service Fund  
Public Improvement Bond Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			
	Budget	Actual	Variance - Favorable (Unfavorable)	2002 Actual
Revenues:				
Miscellaneous - interest	\$ 500	\$ 573	\$ 73	\$ 1,599
Expenditures:				
Debt service -				
Principal retirement	-	-	-	30,000
Interest	-	-	-	1,770
Total expenditures	-	-	-	31,770
Excess (deficiency) of revenues over expenditures	500	573	73	(30,171)
Fund balances, beginning	41,931	41,931	-	72,102
Fund balances, ending	\$42,431	\$ 42,504	\$ 73	\$ 41,931



CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Debt Service Fund  
Sewerage District No. 1 Bond Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			2002
	Budget	Actual	Variance - Favorable (Unfavorable)	Actual
Revenues:				
Miscellaneous - interest	\$ 1,500	\$ 1,613	\$ 113	\$ 3,432
Expenditures:				
Debt service -				
Principal retirement	-	-	-	30,000
Interest	-	-	-	1,770
Total expenditures	-	-	-	31,770
Excess (deficiency) of revenues over expenditures	1,500	1,613	113	(28,338)
Other financing use:				
Transfer to Utility Fund	(125,641)	(125,754)	(113)	-
Deficiency of revenues over expenditures and other financing use	(124,141)	(124,141)	-	(28,338)
Fund balances, beginning	124,141	124,141	-	152,479
Fund balances, ending	\$ -	\$ -	\$ -	\$124,141

## **NONMAJOR CAPITAL PROJECTS FUND**

### **1993 Sales Tax Bond Construction Fund**

To account for the financing and construction of sewerage system improvements within the City. Funds were provided through the issuance of \$1,600,000 Public Improvement Sales Tax Bonds, Series ST-1993. These bonds were refunded during the fiscal year ended June 30, 2003.

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Capital Projects Fund  
1993 Sales Tax Bond Construction Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 2003  
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003			
	Budget	Actual	Variance - Favorable (Unfavorable)	2002 Actual
Revenues:				
Miscellaneous - interest	\$ 5,000	\$ 9,167	\$ 4,167	\$ 25,012
Expenditures:				
Capital outlay -				
Construction cost	-	-	-	257,725
Engineering and other	-	-	-	74,475
Total expenditures	-	-	-	332,200
Excess (deficiency) of revenues over expenditures	5,000	9,167	4,167	(307,188)
Other financing sources (uses):				
Transfers in	-	26,361	26,361	-
Transfers out	(138,019)	(143,059)	(5,040)	-
Total other financing sources (uses)	(138,019)	(116,698)	21,321	-
Deficiency of revenues and other financing sources over expenditures and other financing uses	(133,019)	(107,531)	25,488	(307,188)
Fund balances, beginning	718,295	718,295	-	1,025,483
Fund balances, ending	\$585,276	\$610,764	\$ 25,488	\$ 718,295

CITY OF VILLE PLATTE, LOUISIANA

Enterprise Fund

Utility Fund

Schedule of Changes in Assets Restricted For Debt Service

Year Ended June 30, 2003

	Revenue Bonds				Totals
	Cash With Paying Agent	Bond and Interest Sinking	Reserve	Renewal and Replacement	
Cash and interest-bearing deposits, July 1, 2002	\$ -	\$ 337,873	\$ 672,840	\$ 380,294	\$ 1,391,007
Cash receipts:					
Transfers from operating account	-	435,292	-	-	435,292
Transfers from sinking fund	477,195	-	-	-	477,195
Interest on interest-bearing deposits	-	5,347	9,050	9,164	23,561
Total cash receipts	477,195	440,639	9,050	9,164	936,048
Total cash and interest-bearing deposits available	477,195	778,512	681,890	389,458	2,327,055
Cash disbursements:					
Principal payments	310,000	-	-	-	310,000
Interest payments	163,603	-	-	-	163,603
Paying agents' fees	3,592	-	-	-	3,592
Transfers to operating account	-	-	101,129	-	101,129
Transfer to paying agent	-	477,195	-	-	477,195
Total disbursements	477,195	477,195	101,129	-	1,055,519
Cash, interest-bearing deposits, and investments June 30, 2003	\$ -	\$ 301,317	\$ 580,761	\$ 389,458	\$ 1,271,536

CITY OF VILLE PLATTE, LOUISIANA  
Section 8 Housing Assistance Program  
Ville Platte, Louisiana

Analysis of Surplus  
Years Ended June 30, 2003 and 2002

	Annual Contribution Contract FW-2114	
	2003	2002
Unreserved surplus:		
Balance at beginning of fiscal year	\$ (4,778,756)	\$ (4,622,098)
Operating expenditures for the year	(369,758)	(346,232)
Increase in operating reserve	(28,343)	(19,009)
Provision for project account	267,242	208,583
Balance at end of fiscal year	<u>(4,909,615)</u>	<u>(4,778,756)</u>
Reserved surplus (operating reserve):		
Balance at beginning of fiscal year	48,448	29,439
Increase in operating reserve	28,343	19,009
Balance at end of fiscal year	<u>76,791</u>	<u>48,448</u>
Project account - unfunded:		
Balance at beginning of fiscal year	232,537	441,120
Provision for project account	(267,242)	(208,583)
Balance at end of fiscal year	<u>(34,705)</u>	<u>232,537</u>
Cumulative HUD contributions:		
Balance at beginning of fiscal year	4,561,374	4,196,133
Annual contributions earned	398,101	365,241
Balance at end of fiscal year	<u>4,959,475</u>	<u>4,561,374</u>
Total surplus	<u>\$ 91,946</u>	<u>\$ 63,603</u>
Fund equity (GAAP basis):		
Investment in general fixed assets	\$ 15,155	\$ 15,155
Fund balance - reserved for housing assistance	<u>76,791</u>	<u>48,448</u>
Total fund equity	<u>\$ 91,946</u>	<u>\$ 63,603</u>



CITY OF VILLE PLATTE  
Section 8 Housing Assistance Program  
Ville Platte, Louisiana

Computation of Annual Contributions Earned and Project Account -  
Operating Reserve Changes  
Housing Assistance Payments Program  
Years Ended June 30, 2003 and 2002

	Annual Contribution Contract FW-2114	
	2003	2002
Project LA48-E192-001		
Provision for project account:		
Maximum contribution available -		
Maximum annual contribution authorized	\$ 101,932	\$ 159,592
Project account balance at beginning of fiscal year	232,537	441,120
Total annual contribution available	<u>334,469</u>	<u>600,712</u>
Annual contribution required -		
Administrative fee earned	54,066	50,276
Audit fee	2,820	2,760
Housing assistance payments	312,288	315,139
Total annual contributions required	<u>369,174</u>	<u>368,175</u>
Project account at end of fiscal year	(34,705)	232,537
Project account at beginning of fiscal year	<u>232,537</u>	<u>441,120</u>
Provision for project account	<u>\$ (267,242)</u>	<u>\$ (208,583)</u>
Annual contribution earned - lesser of total annual contribution available or total annual contribution required	<u>\$ 334,469</u>	<u>\$ 368,175</u>
Increase in operating reserve:		
Annual contribution earned	\$ 398,101	\$ 365,241
Less: Total expenditures	<u>(369,758)</u>	<u>(346,232)</u>
Increase in operating reserve	<u>\$ 28,343</u>	<u>\$ 19,009</u>

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2003 and 2002

Records maintained by the City indicated the following number of customers were being served during the months of June, 2003 and 2002:

<u>Department</u>	<u>2003</u>	<u>2002</u>
Gas (metered)	2,319	2,483
Water (metered)	3,059	3,136
Sewerage	2,860	2,919

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings  
Years Ended June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services -		
Customer service charges	\$ 3,798,990	\$ 3,458,693
Connection and inspection fees	54,921	35,055
Miscellaneous	85,718	103,881
Total operating revenues	<u>3,939,629</u>	<u>3,597,629</u>
Operating expenses:		
Gas department expenses	2,410,735	1,832,364
Water department expenses	765,424	683,357
Sewerage department expenses	681,230	636,457
Total operating expenses	<u>3,857,389</u>	<u>3,152,178</u>
Operating income (loss)	<u>82,240</u>	<u>445,451</u>
Nonoperating revenues (expenses):		
Interest income	39,290	57,259
Interest expense	(173,896)	(176,740)
Bad debt recovery	19,400	46,348
Paying agents' fees	(3,592)	(2,000)
Amortization of bond issuance cost	(5,800)	(3,596)
Total nonoperating revenues (expenses)	<u>(124,598)</u>	<u>(78,729)</u>
Income (loss) before contributions and transfers	<u>(42,358)</u>	<u>366,722</u>
Capital contributions	<u>43,147</u>	<u>-</u>
Transfers in (out):		
Operating transfers in	389,927	90,000
Operating transfers out	(575,674)	(278,807)
Total operating transfers in (out)	<u>(185,747)</u>	<u>(188,807)</u>
Increase (decrease) in retained earnings	<u>(184,958)</u>	<u>177,915</u>
Retained earnings, beginning	<u>11,398,147</u>	<u>11,220,232</u>
Retained earnings, ending	<u>\$ 11,213,189</u>	<u>\$ 11,398,147</u>

Gas Department		Water Department		Sewerage Department	
2003	2002	2003	2002	2003	2002
\$ 2,292,339	\$1,960,057	\$929,180	\$915,700	\$ 577,471	\$ 582,936
16,223	8,390	25,098	14,050	13,600	12,615
36,136	61,031	34,832	30,009	14,750	12,841
<u>2,344,698</u>	<u>2,029,478</u>	<u>989,110</u>	<u>959,759</u>	<u>605,821</u>	<u>608,392</u>
2,410,735	1,832,364	-	-	-	-
-	-	765,424	683,357	-	-
-	-	-	-	681,230	636,457
<u>2,410,735</u>	<u>1,832,364</u>	<u>765,424</u>	<u>683,357</u>	<u>681,230</u>	<u>636,457</u>
<u>\$ (66,037)</u>	<u>\$ 197,114</u>	<u>\$223,686</u>	<u>\$276,402</u>	<u>\$ (75,409)</u>	<u>\$ (28,065)</u>

CITY OF VILLE PLATTE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Analysis of Operating Expenses  
Years Ended June 30, 2003 and 2002

	Gas Department		Water Department		Sewerage Department		Totals	
	2003	2002	2003	2002	2003	2002	2003	2002
Salaries	\$ 345,329	\$ 307,707	\$ 137,454	\$ 109,017	\$ 124,660	\$ 119,973	\$ 607,443	\$ 536,697
Retirement contributions	22,477	17,822	9,043	6,755	8,963	6,670	40,483	31,247
Payroll/medicare taxes	4,714	3,461	2,751	1,964	1,800	1,730	9,265	7,155
Group insurance	52,750	41,385	24,900	15,017	17,550	13,250	95,200	69,652
Uniforms	3,799	-	2,338	-	1,525	-	7,662	-
Insurance	21,280	28,859	7,312	7,920	17,729	3,544	46,321	40,323
Workman's compensation insurance	3,525	(135)	8,354	(162)	5,113	(166)	16,992	(463)
General Fund - payment in lieu of taxes	226,993	185,097	91,446	85,213	57,756	53,391	376,195	323,701
Natural gas purchased	1,369,011	894,957	-	-	-	-	1,369,011	894,957
Chataignier franchise tax	1,300	-	-	-	-	-	1,300	-
Dues & conventions	3,868	-	2,593	-	1,009	-	7,470	-
Equipment repairs and maintenance	50,853	45,029	61,228	68,559	52,272	84,430	164,353	198,018
Equipment lease	12,117	13,230	12,117	13,230	-	-	24,234	26,460
Materials and supplies	29,667	29,430	76,660	62,115	23,666	26,847	129,993	118,392
Chemicals	-	-	11,789	12,973	25,947	21,879	37,736	34,852
Testing and inspection fees	2,870	200	9,222	9,504	15,539	13,974	27,631	23,678
Professional fees	71,862	91,352	29,854	30,077	23,621	19,430	125,337	140,859
Utilities and telephone	6,925	5,703	81,370	74,776	75,013	68,448	163,308	148,927
Rent	15,000	15,000	-	-	-	-	15,000	15,000
Auto allowance	-	-	-	-	4,550	3,850	4,550	3,850
Gas, oil and fuel	8,123	6,037	10,636	8,438	6,309	3,429	25,068	17,904
Office supplies and postage	23,033	15,852	12,328	9,803	7,877	8,363	43,238	34,018
Depreciation	91,874	88,986	166,031	163,225	202,176	176,664	460,081	428,875
Miscellaneous	11,188	11,265	2,723	3,047	7,686	10,636	21,597	24,948
Sand, gravel and dirt	-	-	5,275	1,886	469	115	5,744	2,001
Judgments and fines	6,012	-	-	-	-	-	6,012	-
Gas leak survey	26,165	31,127	-	-	-	-	26,165	31,127
	<u>\$2,410,735</u>	<u>\$1,832,364</u>	<u>\$765,424</u>	<u>\$683,357</u>	<u>\$681,230</u>	<u>\$636,457</u>	<u>\$3,857,389</u>	<u>\$3,152,178</u>



**CITY OF VILLE PLATTE, LOUISIANA**

**Combined Schedule of Interest-bearing Deposits - All Funds  
June 30, 2003**

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<b>Major governmental funds:</b>				
<b>General Fund:</b>				
Money market account - Merrill Lynch	N/A	N/A	0.70%	\$ 67,742
Certificate of deposit - Evangeline Bank	30 days	07/04/03	1.25%	144,773
Certificate of deposit - Citizens Bank	90 days	07/24/03	2.25%	40,347
Savings account - Evangeline Bank	N/A	N/A	2.00%	1,908
Interest-bearing checking - Evangeline Bank	N/A	N/A	1.25%	49,473
<b>Total General Fund</b>				<u>304,243</u>
<b>1975 Sales Tax Fund -</b>				
Certificate of deposit - Evangeline Bank	30 days	07/09/03	1.25%	<u>72,603</u>
<b>1984 Sales Tax Fund -</b>				
Certificate of deposit - Evangeline Bank	30 days	07/01/03	1.50%	565,526
Certificate of deposit - Evangeline Bank	180 days	11/09/03	2.50%	445,591
Money market account - Merrill Lynch	N/A	N/A	0.70%	47,075
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	219,565
<b>Total 1984 Sales Tax Fund</b>				<u>1,277,757</u>
<b>P. I. Sales Tax Bonds Debt Service Fund -</b>				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	391,272
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	808,103
<b>Total Utility Bond Construction Fund</b>				<u>1,199,375</u>
<b>Municipal Building Construction Fund -</b>				
Certificate of deposit - Evangeline Bank	180 days	11/26/03	2.65%	3,203,854
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	101,308
<b>Total Municipal Building Construction Fund</b>				<u>3,305,162</u>
<b>Street and Drainage Construction Fund -</b>				
Certificate of deposit - Evangeline Bank	30 days	07/18/03	1.50%	452,037
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	1,035,061
<b>Total Street and Drainage Construction Fund</b>				<u>1,487,098</u>
				(continued)

CITY OF VILLE PLATTE, LOUISIANA

Combined Schedule of Interest-bearing Deposits - All Funds (Continued)

June 30, 2003

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Nonmajor governmental funds:				
Section 8 Housing Fund -				
Interest-bearing checking account - Hancock	N/A	N/A	Variable	\$ 44,090
Public Improvement Bond Fund -				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	39,779
Sewerage District No. 1 Bond Fund -				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	122,882
1993 Sales Tax Bond Construction Fund-				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	629,444
Total nonmajor governmental funds				<u>836,195</u>
Utility Fund:				
Unrestricted assets:				
Certificate of deposit - Evangeline Bank	30 days	07/01/03	1.50%	25,152
Certificate of deposit - Evangeline Bank	30 days	07/24/03	1.50%	103,051
Total unrestricted assets				<u>128,203</u>
Restricted assets:				
Certificate of deposit - Evangeline Bank	30 days	07/01/03	1.50%	374,848
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	301,317
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	580,761
Certificate of deposit - Evangeline Bank	30 days	07/01/03	1.50%	389,458
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	1,948,610
Total restricted assets				<u>3,594,994</u>
Total Utility Fund				<u>3,723,197</u>
Self-Insurance Fund:				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	<u>44,148</u>
Total all funds				<u>\$12,249,778</u>

**CITY OF VILLE PLATTE, LOUISIANA**

**Schedule of Insurance in Force  
(Unaudited)  
June 30, 2003**

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's compensation - Employer's liability	Statutory
Surety bonds -	
Mayor	\$ 40,000
Mayor Pro-tem	40,000
City Clerk	40,000
Treasurer	40,000
Utility clerks (4)	40,000
Property tax collectors (2)	20,000
Purchasing agent	20,000
Council members (2)	20,000
City Court employees (5)	20,000
Police Department Notary Publics (2)	5,000
Blanket coverage on City property buildings and contents	4,482,216
Comprehensive automobile and physical damage	1,111,162
Commercial general liability	500,000
Errors and omissions liability	500,000
Police professional liability	500,000

**COMPLIANCE, INTERNAL CONTROL**

**AND**

**OTHER GRANT INFORMATION**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Conrad O. Chapman, CPA\*  
P. Troy Courville, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*

WEB SITE:  
WWW.KCSRPCAS.COM

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AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Phillip A. Lemoine, Mayor  
and members of the Board of Aldermen  
City of Ville Platte, Louisiana

We have audited the financial statements of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated September 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Ville Platte's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying summary schedule of current and prior year audit findings as items 03-1(C) through 03-4(C).

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ville Platte's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings as item 03-1(IC).

183 South Beadle  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

113 East Bridge Street  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

133 East Waddil  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

1234 David Drive, Suite 105  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

408 W. Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

332 W. Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946



A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe reportable condition items 03-1(C) and 03-1(IC) are material weaknesses.

We also noted other matters involving internal control over financial reporting that we reported to the management of the City of Ville Platte in a separate letter dated September 3, 2003.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
September 3, 2003

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Phillip A. Lemoine, Mayor  
And Members of the Board of Aldermen  
Ville Platte, Louisiana

### Compliance

We have audited the compliance of the City of Ville Platte, Louisiana (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2003. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan as items 03-5(C) and 03-6(C).

183 South Beadle  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

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Breaux Bridge, LA 70517  
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### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
September 3, 2003

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development -			
Section 8 Housing Choice Vouchers	14.871	\$ 398,101	\$ 369,758
Community Development Block Grants/ State's Program	14.228	38,530	38,530
Federal Emergency Management Agency -			
Disaster Housing Program	83.545	58,333	58,333
United States Department of Agriculture -			
Summer Food Service Program for Children	10.559	<u>45,660</u>	<u>45,218</u>
Total		<u>\$ 540,624</u>	<u>\$ 511,839</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Ville Platte (the City). The City's reporting entity is defined in Note 1 to the general-purpose financial statements for the year ended June 30, 2003. All federal financial loan proceeds received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Section 8 Housing Choice Vouchers Program was considered a major federal program of the City for the year ended June 30, 2003.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2003.



CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2003

Part I. Summary of Auditors' Results:

1. An unqualified opinion was issued on the basic financial statements of the City of Ville Platte's primary government.
2. One reportable condition in internal control was disclosed by the audit of the financial statements. This reportable condition was considered to be a material weakness.
3. Four instances of noncompliance were disclosed by the audit of the financial statements. One instance (03-1(C)) was considered to be a material instance of noncompliance.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed two compliance findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was the U.S. Department of Housing and Urban Development Section 8 Housing Choice Vouchers Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

See compliance findings 03-1(C) through 03-4(C) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. Internal Control Finding –

See internal control finding 03-1(IC) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2003

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

A. Compliance Findings --

See compliance findings 03-5(C) and 03-6(C) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. Internal Control Findings --

There were no internal control findings to be reported under to above guidance.

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/03) --</u>						
<u>Compliance:</u>						
03-1 (C)	2003	The City of Ville Platte violated the Utility Revenue Bond agreement which requires collection of net revenues equal to at least 135% of the largest amount of principal and interest maturing on the bonds in any future fiscal year.	Yes	City officials will increase utility rates and/or decrease expenses in order to comply with the Utility Revenue Bond agreement. Utility rates were increased in August, 2003.	Brian Savant, Utility Director	Immediately
03-2 (C)	1996	Although improvement in utility collections has been made during the fiscal year ended June 30, 2003, continued efforts are necessary in order to comply with the utility revenue bond indenture.	Partial	Continued efforts will be made by the city officials to collect delinquent accounts, assess late penalties and disconnect services.	Brian Savant, Utility Director	Immediately
03-3 (C)	2003	The City violated LRS 33:404.1 by setting the salaries of the City Clerk, Tax Collector, and Street Commissioner by resolution, rather than an ordinance.	No	In the future, the Board of Aldermen will adhere to this state statute by adopting an ordinance, rather than a resolution.	Nina David, City Clerk	Immediately
03-4 (C)	2003	A misunderstanding regarding the method of compensation paid to the City Attorney resulted in a violation of Section 1113A of the Code of Governmental Ethics.	Yes	The City entered into a Legal Retainer Agreement, which specifies how the City Attorney will be paid for his services in the future. Also, he is no longer receiving a salary from the City.	Nina David, City Clerk	Immediately
03-5 (C)	2003	The City leased three (3) housing units in excess of the amount authorized by the U.S. Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers Program. The 2003 Omnibus Bill enacted by Congress prohibits HUD from paying amounts for overleasing	No	Efforts will be made to reduce the number of units leased in order to be within the limits allowed by HUD.	Rita Jack, Section 8 Administrator	Immediately
03-6 (C)	2003	The City did not have proper documentation on the tenant applications for the Section 8 Housing Choice Vouchers Program. Additionally, selection from a waiting list should be made in application date order and, if admitted out of date order, the reason should be documented.	No	Efforts will be made to ensure proper documentation of tenant applicant's information and proper selection from the waiting list for occupancy.	Rita Jack, Section 8 Administrator	Immediately

(continued)

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)**  
**Year Ended June 30, 2003**

Fiscal Year Finding Initially Occurred	Ref. No.	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Internal Control:</u>						
	03-1(IC)	Unknown	N/A	No response is considered necessary.	Nina David, City Clerk	N/A
<u>Management Letter:</u>						
	03-1 (ML)	1997	Partial	City officials will consider utility rate increases and will closely monitor gas and sewerage department expenses in the future.	Nina David, City Clerk	Immediately
	03-2 (ML)	2002	No	City officials will meet with the plan administrator and determine actions to be taken in order for the plan to become self-sufficient.	Nina David, City Clerk	Immediately
	03-3 (ML)	2003	No	City officials will ensure that all required statements and invoices are submitted to the bookkeeper at City Hall on a monthly basis for proper and timely recordation into the accounts . Also, funds needed for "drug buys" will be withdrawn from the account with a check.	Romeo Hargrove, Police Chief	Immediately
	03-4 (ML)	2003	No	In the future, City officials will closely monitor expenditures and explore ways to reduce spending in the General Fund.	Nina David, City Clerk	Immediately

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# CITY OF VILLE PLATTE, LOUISIANA

## Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (Continued) Year Ended June 30, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Management Letter (continued):</u>						
03-5 (ML)	2003	Same as 03-1(C) above.				
03-6 (ML)	1996	Same as 03-2(C) above.				
03-7 (ML)	2003	Same as 03-3(C) above.				
03-8 (ML)	2003	Same as 03-4(C) above.				
03-9 (ML)	2003	Same as 03-5(C) above.				
03-10 (ML)	2003	Same as 03-6(C) above.				
PRIOR YEAR (6/30/02) -						
<u>Compliance:</u>						
02-1 (C)	1996	Although improvement in utility collections has been made during fiscal year ended June 30, 2002, continued efforts are necessary in order to comply with the utility revenue bond indenture.	Partial	Continued efforts will be made by the City to collect delinquent accounts, assess late penalties and disconnect services.	Nina David, City Clerk	6/30/2003
<u>Internal Control:</u>						
02-1 (IC)	Unknown	Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Nina David, City Clerk	N/A
<u>Management Letter</u>						
02-1 (ML)	1997	Consideration should be given to increasing rates and/or decreasing expenses in order to generate a profit in the sewerage utility department.	Partial	City officials will closely monitor sewerage department expenses in the future.	Nina David, City Clerk	6/30/2003
02-2 (ML)	1996	Same as 02-1 (C) above.				
02-3 (ML)	2002	During the last two fiscal years ended June 30, 2002 and 2001, the Group Self-Insurance Fund experienced operating losses of \$106,089 and \$108,665, respectively. The City should develop procedures to accurately monitor activity in the fund. Additionally, consideration should be made to exploring plan adjustments and premium increases in order for the fund to be self-sufficient.	No	City officials will meet with the plan administrator and determine actions to be taken in order for the plan to become self-sufficient.	Nina David, City Clerk	1/1/2003



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## MANAGEMENT LETTER

\* A Professional Accounting Corporation

The Honorable Phillip A. Lemoine, Mayor  
and Members of the Board of Aldermen  
City of Ville Platte, Louisiana

During our audit of the financial statements of the City of Ville Platte for the year ended June 30, 2003, we noted certain areas in which the efficiency and effectiveness of the operations of the City could be improved. Items 03 through 03-2 and 03-6 were also included in our management letter dated August 16, 2002 relative to our audit of the June 30, 2002 financial statements and are mentioned again for re-emphasis.

- 03-1 Consideration should be given to increasing rates and/or decreasing expenses in order to generate a profit in the gas and sewerage utility departments.
- 03-2 During the last three fiscal years, the Group Self-Insurance fund experienced operating losses of \$108,676, \$106,089 and \$108,665, respectively. The City should develop procedures to accurately monitor activity in the fund. Additionally, consideration should be made to exploring plan adjustments and premium increases in order for the fund to be self-sufficient.
- 03-3 Bank statements for police accounts and invoices for all purchases of supplies must be maintained and given to the bookkeeper at City Hall in order to record all activity in the accounts on a monthly basis. All fees, grants, and revenues collected must be documented with a receipt and deposited into a checking account maintained by City Hall personnel. Any funds that are needed for supplies and "drug buys" should be withdrawn from the checking account in order to provide an audit trail. Additionally, only authorized personnel should make disbursements of City funds.
- 03-4 Due to increased spending, the fund balance in the City's General Fund decreased from \$193,304 to \$1,047. City officials should closely monitor expenditures and consider ways to reduce spending in the General Fund.
- 03-5 In order to comply with the Utility Revenue Bond agreement which requires collection of net revenues equal to at least 135% of the largest amount of principal and interest maturing on the bonds in any future fiscal year, city officials should consider increasing utility rates and/or decreasing expenses in the Utility Fund.

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- 03-6 Although there have been improvements in the collections of delinquent accounts, the accounts receivable listing should continue to be closely monitored and aggressive action taken regarding non-payment of bills. The City should more closely adhere to the Utility Revenue Bond agreement requiring a written policy regarding proper collection of delinquent accounts, assessment of late payment penalties and timeliness of utility service cut-offs.
- 03-7 The City should adhere to the LRS 33:404.1 by setting the salaries of the City Clerk, Tax Collector, and Street Commissioner by ordinance, rather than by resolution.
- 03-8 The City should specify payment to the City Attorney for services in accordance with Section 1113A of the Code of Governmental Ethics. This section provides for additional compensation for special services in addition to retainers for general legal counsel.
- 03-9 The City should refrain from overleasing housing units in the HUD Section 8 Housing Choice Vouchers Program. This violates the Omnibus 2003 bill enacted by Congress.
- 03-10 The City should maintain proper documentation on the tenant applications for the Section 8 Housing Choice Vouchers Program. Additionally, selection from a waiting list should be made in application date order and, if admitted out of date order, the reason should be documented.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Ville Platte, Louisiana  
September 3, 2003